

FEBRUARY, 1949

# SOCIAL ORDER

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# INDUSTRIAL DEMOCRACY IN BELGIUM

*A Milestone in the History of Labor-Management Relations*

by William N. Clarke, S.J.

Louvain, Belgium

ON AUGUST 3, 1948, the long-awaited law on the organization of the national economy was finally passed by the Parliament of Belgium; it was signed by the Prince Regent on September 20, and officially promulgated in the government journal, *Le Moniteur Belge*, in the issue of September 27-28. It is without doubt one of the most important laws in the history of economic and labor-management legislation in Belgium, or in any country, since it lays the foundations for an elaborate juridical structure of institutions through which labor and capital can cooperate on an equal basis in the guidance of the national economy.<sup>1</sup> It has been hailed as the "dawn of industrial democracy," "the coming of age of the working man," "the replacement of class struggle by constructive collaboration between labor and capital." At any rate, it is certainly important enough to merit presentation in some detail to our American Jesuit social thinkers, especially in view of the fact that the law is so basically Catholic in inspiration and that Catholic groups played so large a part in

its preparation. Considerable attention will be given, in the following analysis, to the background and evolution of the bill, since it is only thus that an accurate judgment can be made on its meaning and chances of success.

## Ideological Background

In order to appreciate the significance of this somewhat revolutionary law, it is essential to see it as a response to a widespread and growing demand throughout the whole of the industrial capitalistic world, a demand that has become extraordinarily loud and insistent in Western Europe since the war. This is the demand of the working classes to be considered no longer as a mere extrinsic element or part of the production costs in the plant to which they contribute the best part of their time and energy, but rather to be admitted to a more organic role of participation with capital in the rights, responsibilities, and fruits of the enterprise in which they play such a key part. Thus alone, they maintain, will the inherent dignity and value of their labor receive just recognition, and their personality and initiative, crushed out in the modern impersonal factory system, be given a chance once more to express themselves in work.

In the United States also the same tendency is unmistakably present, but general opinion seems to look on such

<sup>1</sup> "The voting by Parliament of the law regarding structural reforms marks a turning point in the economic and social history of our country," statement of M. Van der Rest, President of the *Fédération des Industriels Belges* (our N.A.M.), in "Les réformes de structure," *Révue du Travail*, September, 1948, p. 736.

pretensions of labor as either too radical or too premature to have any chance of success for a long time to come. Witness the opposition on the part of capital to Philip Murray's proposal some years ago of a national system of labor-management industrial councils. The idea is being kept alive, it is true, by ACTU and others, and there have been a number of cases of individual initiative along these lines, such as the Joint Production committees during the war. But as yet there has been no concerted action on a wide scale, let alone any attempt at obligatory legislation.

### Europe More Advanced

In Europe, however, this movement has progressed far beyond the rudimentary and somewhat Utopian stage we know in the States. The war, especially, has given it tremendous impetus; this is due in part to the closer collaboration imposed on capital and labor by the necessity of uniting in the face of a common enemy. The workers now see no reason why they should return to their former position of inferiority simply because peace has come. But there are deeper reasons than the accident of the war behind this mounting pressure of the workers. Since most European economies are poorer and more rigid than our own, the proletariat has long been a comparatively stable, self-perpetuating group, which has suffered more acutely and persistently from the oppression of capital than our workers. But thanks largely to the century-old diffusion of liberal doctrines such as the dignity and freedom of the individual, plus Socialist and Communist propaganda, the mass of the workers has at last become not only thoroughly class-conscious but doctrine-conscious. (Catholic labor leaders here, I might add, have frequently expressed to the author their disappointment that American unionism seems to limit its horizon mostly to immediate material benefits

and is not doctrinal enough).

The content of this "philosophy" or "mystique" is simple but dynamic. First, the workers at last see clearly that the vast transformation and enrichment of the modern world known as the industrial revolution is based on the creative mediation of their human labor, and that this puts tremendous power in their hands, if they want to use it. Secondly, they have waked up to the fact that in entering into this system not only have they lost the personal creativeness and responsibility of the artisanate, but they have sold themselves into a kind of impersonal servitude to the contributors of capital in exchange for a not too secure salary. Capitalists have thus far reserved exclusively to themselves the direction, responsibilities and fruits of the entire industrial system. The conclusion is obvious: since things need not be so, and we have the power to change them, we are going to change them, immediately, and woe to anybody who tries to stop us!

### Seek Humane Order

From that point on, of course, Communists, Socialists, and Christians differ as to the "how" and "towards what." But all are agreed on the basic "second revolution" needed to humanize the first or technical revolution.<sup>2</sup>

<sup>2</sup> Cf. Chanoine Jean Dermine, *La pensée chrétienne et la réforme de l'entreprise*, Editions Clarté Ouvrière, Charleroi, 1947, p. 1: "... a truly new social and economic order, which will be marked by the accession of the working class to the posts of command in society. As long as the structure of the business enterprise subsists in its present form, the ensemble of reforms already brought about or in preparation ... will not constitute that radical break with the past regime, that transformation of nature, that "revolution" towards which the world of the laboring classes aspires." For a doctrinal study of the whole question, one of the best brief treatments is the above, by the Director-General of Diocesan Works in Tournai, one of the best known and most progressive social theorists in

As a result, even the significance of the word capitalism has evolved in Europe from the original technical meaning to a definitely ideological and pejorative one: that concrete historical regime in which the holders of capital unjustifiably reserve to themselves exclusive control over both management and fruits of the industrial system.<sup>3</sup> It is through ignorance of this now commonly accepted signification that well-meaning economic ambassadors like Paul Hoffman and others have done considerable harm to the American cause by enthusiastic articles and speeches on "dynamic capitalism," apparently understanding capitalism as little more than a synonym for free enterprise as against state control. But the very word is like a call to battle here.

What is most important to grasp in

Belgium. Cf. also P. Desbuquois et P. Bigo, *Les réformes de l'entreprise et la pensée chrétienne*, Paris, 1945; *Transformations sociales et libération de la personne*, 32<sup>e</sup> Session des Semaines Sociales de France à Toulouse, 1945, Lyon, 1946; R. Kothén, *Problèmes sociaux actuels*, Bruges, 1946; A. Dubois, *Structures nouvelles dans l'entreprise*, Paris, 1946; G. Ripert, *Aspects juridiques du capitalisme moderne*, Paris, 1946, a penetrating and impartial study by a noted jurist; J. Predseil, "La rémunération de travailleurs et leur participation à la gestion des entreprises," *Bulletin social des industriels*, Brussels, 20 (April, 1948) 157-74, the remarkable address of the secretary of the Young Employers' Center of France before the Belgian Association of Catholic Employers and Engineers; *Cogestion*, Rapport de la première commission d'études de la Confédération des Syndicats Chrétiens, 15<sup>e</sup> Congrès, Brussels, 1947; G. Esperet, *Essai sur la réforme de l'entreprise*, Paris, 1946, by a worker for workers; R. Clemens, "L'entreprise, réalité économique et sociale," *Industrie*, October, 1947, a very competent study by a Catholic professor of Liège.

<sup>3</sup> Even so objective a witness as G. Ripert, *Aspects juridiques du capitalisme moderne*, pp. 11, 15, 323, accepts this concrete meaning as the most useful. Cf. E. Baussart, *Essai d'initiation à la révolution anticapitaliste*, Paris, 1938, pp. 9, 33.

all this matter is that the idea of labor's participation with capital in the management and fruits of industry, known technically as *cogestion* or *réformes de structure*, is not merely an abstruse ideal nourished by a few intellectual leaders. It is an *idée-force*, a cause, that is rapidly penetrating right down to the grass roots of the labor movement and cannot be denied satisfaction much longer without an explosion somewhere. The following typical quotations will give an idea of how familiar the notion is among the workers and how it is accepted by responsible Catholic leaders.

### Revolution on the Way

From a rank-and-file newspaper of the Confederation of Christian unions:

Unionism is preparing a great revolution... We don't mean a bloody rebellion, which often brings no real change, but a radical change in the ideas and the way of acting of men in the production and dividing up of wealth... one brought about by reforms that are progressive and thorough, by a steady evolution. That's the kind of revolution we want... It's capitalism (i.e., the capitalist regime) that has to be transformed, because right now it's the master of economic life and it has no right to be master by itself. The capitalist regime consists essentially in the fact that capital (raw material and means of production) holds the authority, and that labor (producer of consumers' goods) is its servant, without any power. In this regime labor is looked on principally as a piece of merchandise and is valued only for what it produces.... Yet it is this labor alone which has a directly human value... Things are not right side up, therefore, when capital dominates labor... Here's the revolution we want to bring about. We must put the machine in reverse: give labor its true place in society, the first, and leave capital its real place, that of a servant, who can't be done without, perhaps, but a servant and not a master... Co-gestion is our ideal—and an ideal that we want to see become a fact not in five years, but now.<sup>4</sup>

From a Joint Declaration of the

<sup>4</sup> *Au Travail*, Numéro de Noël, 1947, p. 3. This whole article is a remarkable example

## Cardinals and Archbishops of France:

We ask for the progressive participation of the workers in the organization of work, of the business enterprise, of industry, and of the nation. The worker wants to feel truly at home in his factory by a more human labor in which he can engage his responsibility as a man and find scope for his whole energy.... He aspires to a participation in the social and economic life of his factory as well as in the fruits of its production.... To bring about these social advances, structural reforms are necessary. We are ready to welcome them.<sup>5</sup>

Similar quotations could be multiplied indefinitely.<sup>6</sup> It is only by keeping in mind this vast ground swell of pressure from the workers, steadily growing in form and strength and vigorously seconded by representative Catholic social leaders, that we can understand how it has been possible in Belgium to push the present legislation through successfully in the face of much opposition.

### Experiments in Other Countries

Although the most comprehensive of its kind so far, the present legislation is not the first attempt along this line in Europe. Many other countries have tried limited and chiefly voluntary experiments in the same general direction, such as the Joint Production committees and Working Parties in England, and various steps towards in-

dustrial councils in Holland.<sup>7</sup> Nationalization projects in France and England are also partial attempts to answer the same problem. But Belgian commissions which have studied the results of nationalization in both countries have not been favorably impressed, and Belgian opinion, even among the workers, seems to be moving steadily away from this type of solution. Within the framework of private enterprise, the most important and large-scale experiment has been the French legislation of February 22, 1945 and May 16, 1946.<sup>8</sup> This has set up an obligatory system of labor-management committees in all business enterprises of at least 100 employees. The committees have wide powers not only of advice but of decision in the running of their respective plants.

This legislation, however, has proved to be disappointing. In many cases Communist labor groups have used the committees to disrupt the smooth functioning of factories for purposes of political or class warfare. In other no less numerous cases employers have succeeded in so manipulating the defective machinery as to "put the committees into their pocket," as the French put it, and make them mere rubber stamps. In some cases, however, remarkable success has been achieved.

The reasons for the failures are not hard to find. They stem partly from defects in the law itself, partly from the hasty and arbitrary manner in which it was drawn up and imposed

of clear, vigorous, not too simplified writing for workmen. It covers the whole field of the principles and structure of the present reform in half a page of the newspaper. The other half contains an article hitting hard on the new responsibility of the worker to prove himself worthy of his new powers.

<sup>5</sup> "Déclaration de l'Assemblée des Cardinaux et Archevêques de France," February 28, 1945, quoted in R. Kothen, *op. cit.*, pp. 55-59. These words, of course, are nothing but the development of the famous texts of *Quadragesimo Anno* on the participation of the workers in the direction and fruits of production.

<sup>6</sup> Cf. bibliography in note 2; also Desqueyrat, S.J., *Révolution d'abord*, Paris, 1945.

<sup>7</sup> For a survey of experiments in other countries, see *Participation des salariés aux responsabilités et aux résultats de l'œuvre de production*, Paris; P. Bayart, *Comités d'entreprise: Expériences étrangères, législation française*, Paris, 2<sup>e</sup> édit., 1947, with bibliography; SOCIAL ORDER 1 (1948) 229, 330, 371.

<sup>8</sup> Bayart, *op. cit.*, gives a valuable analysis and critique.

on the country. The bill was prepared, it seems, without sufficient consultation of and approval by the interested parties. Thus the employers claim that their organizations were not consulted at all until the law had been passed. And strange to say, even the unions were a little suspicious; they feared some hidden move to weaken their power.

As for its content, the law thrust too much power suddenly on workers who were not prepared for the responsibility; it gave the unions too much control over the members of the committees; and it rendered the company's accounts so open to inspection that sufficient protection against competitors was not provided. These difficulties are due in part to the French tendency to solve problems by legislative fiat from above rather than by thorough, realistic study of the practical conditions for success of a new piece of legislation. The more realistic Belgians have taken care not to repeat these mistakes.

### Economic and Political Background

A few broad outlines will be enough for our purpose here. Belgium is a strongly industrialized nation of some 9,000,000 inhabitants, the first country to undergo the industrial revolution after England. Capital and labor are both strong and well-organized. Capital is represented by the Federation of Belgian Industrialists, (known before the war as the Central Industrial committee), within which is contained the active and well-organized Federation of Catholic Employers. This Catholic Federation is a model of effective Catholic social action in a highly influential milieu. Its very competent Jesuit chaplains are the apostolic soul of the movement.<sup>9</sup>

Of the 1,700,000 workers in the country, about half belong to unions, chiefly the two dominant ones, the Socialist and the Confederation of Christian unions. The small but active Communist group has no union of its own but tries to infiltrate the Socialist unions either to dominate them or, according to present strategy, to disrupt them, now that the Socialists are resolutely weeding them out of all key positions.

The Catholic unions are the outstanding phenomenon of the post-war labor scene in Belgium. Under a group of dynamic and competent young leaders, mostly former Jockists, and the inspiration of their chaplain, Canon Ketels, they have risen since the war from a minority of about one-third to slightly better than equality with the once all-powerful Socialists. They claim some 455,000 members to the Socialist 440,000; three-quarters of their membership are in strongly Catholic Flanders. The Socialists have been seriously weakened, as elsewhere throughout Europe, by hesitation and internal dissension in the face of Communism.

The dominant political forces are the Socialists and the Christian Social party, who form the present coalition government. The Liberals and Communists are small minorities. The Catholic party has a slight majority over the Socialists, but not over a coalition of the latter with the other parties. The new economic bill is, therefore, a kind of common denominator between Catholics, Socialists and Liberals.

Despite its name of "Social," however, it should not be imagined that the Catholic party is always outstandingly progressive or social in its outlook, though the progressives do domi-

<sup>9</sup> The organ of the French-speaking section (which is called the Association of Catholic Employers and Engineers and is, for various reasons, the more active and advanced

in doctrine of the two groups) is the excellent monthly *Bulletin social des industriels*. For a brief statement of principles, see March, 1948, pp. 99-101.

nate now. At the wish of the bishops it groups together all Catholic nuances from extreme conservative to extreme progressive for common protection against the still virulent anti-clericalism of the other parties, which make common cause in trying to hamper the Church's liberty, especially in education. Outside of religious questions, the unity of the party is largely artificial, the progressives and conservatives pulling constantly in opposite directions. The Catholic labor group, in particular, is seriously dissatisfied with this situation, since they frequently appear to be compromised before their fellow workers by the hesitant social attitudes of their party. This is serious because the only national Catholic daily newspaper in French, the *Libre Belgique*, one of the best edited and most powerful newspapers in the country, is scandalously reactionary in its social doctrine and is a constant source of embarrassment and indignation to the progressive Catholic groups.<sup>10</sup>

### Steps Toward Present Law

Even before the war, the habit was being formed of labor-management collaboration. This was manifested chiefly in the National Labor conferences, called periodically by the government, and in the voluntary, but highly successful Parity commissions, which made collective accords on disputed points in each of the major industries. On the level of the individual business enterprise, however, there was considerable agitation for *cogestion* but little efficacious action. The Central In-

dustrial committee, equivalent to our National Association of Manufacturers, was still strongly laissez-faire in attitude. But during the war opposition to a common enemy brought labor and capital together on a new basis of understanding. A series of clandestine meetings was held during the time of the German occupation between representatives of both groups; the result was the Social Solidarity pact, an agreement in principle on the broad lines of a program of post-war collaboration.<sup>11</sup>

Immediately after the liberation both sides publicly ratified the accord. To indicate its change of heart, the Central Industrial committee changed its name to the Federation of Belgian Industrialists and promised to put into operation within six months a system of labor-management councils.<sup>12</sup> On the 13th of January, 1945, the government appointed a "Commission for Economic Orientation" to study suitable legislation.<sup>13</sup>

Not long after, in tune with the same progressive spirit, the Christian Social party came out with an admirable, long-range program of political, social, and economic reform, in which they committed themselves categorically to sponsoring *cogestion*. The following excerpt will give an idea of the tone of this important document:

Distinctly anticapitalistic, this party holds that labor should not be deprived of the share of privileges and profits which rightfully belongs to it. Not that we are adversaries of private property.... But property cannot become the basis of

<sup>10</sup>Cf. the collective study, *Déchristianisation des masses prolétariennes*, Tournai, 1948, chap. 6, and p. 137, which has attracted wide attention. In vigorous language, it attributes the main cause of the falling away from the Church of the working classes in Belgium to the alliance of Catholic leaders, lay and clerical, with conservative capitalism and the bourgeoisie against the aspirations of the workers.

<sup>11</sup>This history has been pieced together partly from the documents cited subsequently, partly from conversations with employer and labor associations. Numerous indications can be found in Kothen, *op. cit.*, pp. 69-75; *Bull. soc. des ind.*, July-August, 1948, pp. 295, 302-5, 312-13; "L'organisation de l'économie," *Revue du Travail*, September, 1948, pp. 733-35.

<sup>12</sup>*Bull. soc. des ind.*, July-August, 1948, pp. 309, 312.

<sup>13</sup>*Moniteur Belge*, January 24, 1945.

a privilege. Neither the owner, nor especially the holder, of capital can claim on this score an exclusive control over production.... We must restore to work its human character, above all by bestowing on the mass of workers the dignity, rights, and duties of true collaborators in production.<sup>14</sup>

### Difficulties Rise

All in all, it seemed that a new era had dawned at last. Union circles were jubilant. But the honeymoon did not last long. As the ordinary economic life of peacetime picked up again, the old frictions and conflicts of interests began to crop up once more. Nursing along precarious profits in an unstable post-war Europe, many big businessmen felt little inclination to "rock the boat" any further by radical innovations of any kind. Others more or less openly returned to their old *laissez-faire* attitude, hoping that by waiting out the reform wave the old regime could go on as before.

A not entirely unconvincing argument brought forward by many otherwise well-disposed employers was the following: We are for these labor-management councils in principle, and we feel that you Christian union men in particular can be trusted to go into them with a genuine spirit of cooperation. But with the growing power of Communism and radical Socialism in Europe, how can we be sure that in five years' time the unions won't be much more radical in spirit and use their foothold in management to wreck private enterprise from within and bring in state control? So let's go slow and be sure the new institutions are foolproof before we commit ourselves irrevocably.<sup>15</sup>

<sup>14</sup> *Les Chantiers sont ouverts. Quel sera l'architecte?*: Principes et tendances du Parti Social Chrétien, Noël, 1945, pp. 44-45.

<sup>15</sup> *Bull. soc. des ind.*, July-August, 1948, p. 312, declaration of M. Van der Rest, President of the Fédération des Industriels Belges.

In the face of this stiffening of opposition and delaying tactics, the unions began to make bitter charges of insincerity against the employers, that they were paying lip service to the principle of *cogestion* but systematically obstructing every attempt to realize it in practice.<sup>16</sup> But on their side, too, as a number of union leaders admitted, too many of the old-line union bosses and organizers were unwilling or unable to give up their old class-warfare attitude and techniques for a policy of constructive collaboration with the forces of capital which they had for so long regarded as their enemies.<sup>17</sup>

So discussions dragged on, with individual experiments tried here and there but no concerted action. The pressure for reform did not die off, however, as many of the employers had hoped. The unions began to press harder and harder for action, with growing impatience. On the side of the employers, too, the Federation of Catholic Employers was doing yeoman work in swinging the larger, non-confessional organization of the Federation of Belgian Industrialists towards a more progressive social attitude.<sup>18</sup> Despite the Catholic group's numerical

<sup>16</sup> "The Plant Councils are verbally accepted and practically torpedoed by certain groups of employers and politicians," *Au Travail*, Noël, 1947, p. 3.

<sup>17</sup> *Cogestion*, Report of the 15<sup>e</sup> Congress of the Confédération des Syndicats Chrétiens, October, 1947, p. 32, recalls the statement of a Socialist labor leader in 1935: "The unions should not contribute to lessening the antagonism between classes. If we take away from the union its militant activity, its participation in the struggle of classes, we at the same time render impossible for it any cultural action and even all philanthropic action of any extent and value." It then adds, "We should not too easily believe that this tendency has been outgrown in the majority of Socialist groups... and even among a good number of Christian unionmen."

<sup>18</sup> For an account of its activity, see *Bull. soc. des ind.*, May, 1948, pp. 197-99.

minority, it is so active and well organized that it is able to exert a pressure far beyond its numbers on the larger body.

### Law Finally Drafted

Finally, under the combined pressure of the Catholic employers and the Catholic unions, the Christian Social party presented to Parliament a succession of four major bills covering the whole field of *cogestion* and calling for the establishment of a Central Economic council for the whole country, a National Labor council for social questions, national councils for each industry, local councils for each business enterprise, and finally a reform in the juridical structure of corporations to permit entrance of the workers into the inner sanctum of capitalist power, the board of directors who represent the stockholders.<sup>19</sup>

The Catholic employers, however, refused flatly to support the last measure. This is the main point that divides them from the Catholic union group. The latter maintain that this, the most radical of all the reforms, is essential in order to curb the enormous concentration of power in the hands of a few capitalists through control of voting stocks. The employers are adamant against the idea. They want a clear-cut separation between the labor-management council for the internal operation of the factory as such, which alone concerns the workers and where alone they have any real competence, and the board of directors responsible to the stockholders alone, whose role is the highly technical one of deciding on investments, market strategy, etc. Besides, since the workers in present corporation law have no legal responsibility, their action in

disposing of stockholders' money would be a legal monstrosity.

The union men answer that what they want is a new juridical structure giving the workers real legal responsibility in some way, that as long as the board of directors retains the financial power, the factory council would be practically its servant, and that it is precisely this high finance that labor wants brought out in the open. Catholic social theorists themselves are divided on the matter, with perhaps a majority leaning toward the unions' position.<sup>20</sup>

### Socialist Counter-Proposals

Meanwhile the Socialist government came out with its own legislative project on the key point of the reform program, the local councils for each business establishment or factory. The Minister of Labor presented the bill on June 25, 1946. Discussion on it dragged on, first in committee, then in public debate. An impasse was finally reached a year later on the touchy question of opening the companies' accounts to the workers. The Minister withdrew his bill and recommended that all the projects for the reorganization of the national economy be studied together by a special commission of Parliament with a view to preparing a single comprehensive piece of legislation.<sup>21</sup>

The labor unions were bitterly disappointed at this failure, and gave voice to their feelings in no uncertain terms. The next Congress of the Confederation of Christian unions in October, 1947, put *cogestion* as the number-one item on its agenda and published a vigorous manifesto summing up its

<sup>19</sup> These have been gathered together with an introduction in the pamphlet, *Démocratie économique et sociale*, Brussels, 1947. It makes an excellent basis for study of the Belgian Catholic program of social reform.

<sup>20</sup> For the union position, see the document just cited, n. 19, pp. 52 ff.; also the Report of the 15<sup>e</sup> Congress, *Cogestion*, cited in n. 17, chap. 6; Dermine, *art. cit.* in n. 1. Professor Clemens, in his article in *Industrie*, October, 1947, (n. 1), makes a good case for the employers' position.

<sup>21</sup> *Bull. soc. des ind.*, July-August, 1948, p. 295.

position on the matter.<sup>22</sup> The pressure from the unions increased.

Finally, on Dec. 3, 1947, Premier Spaak, in the name of the Socialist-Catholic coalition government, presented to Parliament a bill which embraced all the proposed reforms (save that which would admit workers into the board of directors of corporations) in a single comprehensive piece of legislation. It is this epoch-making bill which, in an amended text, became law on Aug. 3, 1948.

### Aim and General Characteristics

As is the case with all important Belgian legislation, this bill is introduced by an official commentary on the history, motives, and meaning of the law, entitled *Exposé des Motifs*.<sup>23</sup> The point of departure is the democratic ideal, which to be made effective must be extended, not only to the political, but to the economic and social spheres. In the political sphere this has already been accomplished by the progressive widening of the popular vote.

<sup>22</sup>Already cited, notes 1, 17, 20.

<sup>23</sup>This introduction, together with the presentation speeches of the spokesmen for the Parliamentary commissions, is very valuable for understanding the law, but is not included in the final text. All may be found in the full official proceedings, *Documents parlementaires* and *Annales parlementaires*, Session 1947-48 (details in *Moniteur Belge*, September 27, 1948, p. 7768, n. 1). But the most convenient sources for studying the present law are, for the first text, the *Bulletin Mensuel* of the Confédération des Syndicats Chrétiens, January, 1948, pp. 8 ff., known as *CSC*, and for the final text the very valuable number of the *Bulletin social des industriels*, July-August, 1948. The latter contains a brief history, the text, save for two final amendments of the Senate in the September number, the essence of the commentary of the official spokesman, a resumé of the Parliamentary discussions, objections of the Fédération des Patrons Catholiques and what happened to them, a speech of the President of the Fédération des Industriels Belges, and of M. Harmel, spokesman for the Catholic party.

Then came industrial capitalism. The resulting concentration of enormous wealth and economic power in the hands of a few, the controllers of capital, combined with the liberal doctrine of no intervention on the part of the state, reduced the laboring masses to a social and economic servitude to these masters of capital. This in practice threatened to nullify their political equality. The present law, therefore, aims at being a first step towards a more balanced order of social and economic, as well as political democracy, by granting the workers a legitimate share in the direction of the economic and social life of the nation.<sup>24</sup>

Secondly, although the need for the state to intervene for the common good in social and economic matters is now recognized and is constantly being used more frequently, the state has not yet at its disposal any body of authoritative national institutions, rep-

<sup>24</sup>"The parallel development of democracy and capitalism bore within it the germs of an evident contradiction. Whereas the progressive extension of the right of suffrage was associating larger and larger portions of the nation in the exercise of political power, economic power remained the exclusive possession of the holders of capital. This divorce was soon to show that individual liberties, recognized by right, were in fact compromised in their exercise. The progress of industrial techniques and financial concentration assure to certain persons an economic power which in reality participates in political power. As a result, the latter is shared and exercised in a manner other than democracy demands. . . . The signers of the present project feel that they are bringing about a first stage of economic democracy . . . they consider that the workers have an undeniable right to participate, as well on the national level as on the level of each business, not only in the elaboration of social legislation, but also in the direction of the economy. Thus they hope to resolve the antinomy which has arisen between political democracy and economic power, and unite the laws of political and economic society under the standards of a genuine democracy" (*CSC*, January, 1948, pp. 12-13, 15).

representing the interests of all classes in the nation, to which it can turn for expert guidance in the formulation of social and economic legislation. The present bill attempts to fill this lacuna.<sup>25</sup> But it in no way constitutes an entry of government into private business or control over the latter. Rather it is the contrary, the limitation of arbitrary government power by substituting the guidance of organized private enterprise.<sup>26</sup> The new institutions are in no sense government bureaus, but authoritative organs of private enterprise. Their members are elected by the free and independent associations of labor and capital, and their role is advisory only, not legislative.

Lastly, as is the case with some of the more comprehensive legislative bills in Belgium which involve a multitude of technical details too complicated to be settled a priori, the law is what is known as a "framework law" (*loi de cadre*). That is, it determines only the basic structure of the law and the principal controversial points, leaving to the executive power the progressive legislation of technical details as circumstances demand.<sup>27</sup> This naturally involves some risks, but it reduces the chances of impractical legislation and facilitates discussion and passage of the bill in Parliament.

### Schema of the Law

The essence of the Industrial Councils law consists in the establishment of two parallel series of official labor-management institutions, one dealing with economic problems, the other with social, on three levels: the nation as a whole, each industry as a whole, and each local unit within an industry. Some of the social institutions exist already, either officially or unoffi-

cially. But since the law integrates them with the new institutions, the schema below includes them all, so as to give a view of the entire structure of labor-management organs in Belgium.<sup>28</sup>

Each of these institutions will now be taken up in detail.

### Central Economic Council

This Council will be composed of members chosen by the executive power from double lists of candidates presented by the various organizations which represent the economic life of the nation, including agriculture, forestry, small businessmen and artisans and consumers' cooperatives. The president will be chosen by the executive power; he must not be connected with either the government or any of the organizations represented on the Council. There will be added a certain number of technical experts of recognized reputation. The final text of the law<sup>29</sup> specifies that the total membership is not to exceed 50: an equal number representing labor and capital, together with not more than six experts chosen by the labor-capital members. The term of office of the president is six years, that of the members, four years. The latter are eligible for re-election.

The role of the Council is strictly consultative. It will present, on its own initiative or at the demand of the government, authoritative information and suggestions to the latter on all problems touching the economic life of the country. Its reports will reflect not only the majority, but the various minority views of the groups it represents. Its recommendations will not bind the government, but will carry all the weight attached to the official

<sup>28</sup> Cf. similar schema in *Démocratie économique et sociale*, Brussels, 1947, p. 2.

<sup>29</sup> As indicated in n. 23, references to the final text are to the *Bull. soc. des ind.*, July-August, 1948.

<sup>25</sup> *Ibid.*, p. 14.

<sup>26</sup> *Ibid.*, p. 15.

<sup>27</sup> *Ibid.*, p. 16.

## GOVERNMENT

### *Economic Sphere*

#### CENTRAL ECONOMIC COUNCIL

Advisory power to Government on economic matters.

#### INDUSTRY-WIDE ECONOMIC COUNCILS

Advisory power to Central Council.

#### CHAMBERS OF COMMERCE

(Exist unofficially.) Advice to Central Council and Government on regional economic interests. No labor representation.

#### CHAMBERS OF CRAFTS AND TRADES

Represent small businessmen and artisans on National Councils.

#### LOCAL COUNCILS IN EACH BUSINESS UNIT

Advisory power to management on economic questions.  
Deliberative power with management on social questions.

### LABOR UNIONS

These retain their role in handling wage demands and grievances, and in unifying and training and educating the workers.

### *Social Sphere*

#### NATIONAL LABOR COUNCIL

(Exists unofficially). Advisory power to Government on social matters.

#### INDUSTRY-WIDE PARITY COMMISSIONS

(Exist officially.) Advisory power to National Council. Decisive power on collective accords and disputes within industry.

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spokesman for all the economic interests of the nation.

To the Council will be attached a permanent Secretariate to be at its service for clerical and research work. It will be staffed and financed by the government to ensure impartiality. This apparently innocent provision became a major point of dispute, as we shall see later. The final text specifies that the members of the Secretariate shall be chosen not by the government but by the members of the Council itself, except the directors. No member can at the same time hold any

office or exercise any control in any business represented on the Council, or for a year after leaving the Secretariate. As a further protection for competition between companies, the information collected by the research members shall be drawn from national statistical bureaus and other public sources and is to be presented only in global and anonymous form. There is no right to pry into the records of any private company and least of all to reveal any secret technical or economic procedures.

Further technical details of appoint-

ments and functioning are left to the executive power.

### National Economic Councils

These will be set up for all the major industries and economic activities of national scope, with as many subdivisions as are necessary to afford adequate representation of different interests within each occupational group. Their number will be determined by the executive power and Council of Ministers, after consultation with the Central Economic council. Their members will be chosen in the same way as those of the Central council, again with equal representation for labor and employers, save in branches such as agriculture, fishery, etc., where the nature of the occupation demands otherwise. A number of experts also will be chosen, the final text limiting their number to four.

The role of these councils will be the same with regard to the Central Economic council as that of the latter with regard to the government, i.e., to furnish authoritative information and advice on their particular industry or occupation, always reflecting minority as well as majority interests. Each council will have a Secretariate attached, subject to the same restrictions as that belonging to the Central council, according to the final text.

### Regional Chambers of Commerce

Since these organizations already exist, the first draft of the law merely defined their integration into the new over-all structure. In order to facilitate their relations with similar bodies in other countries, their membership will not include labor but only persons or organizations inscribed in the local business directories. Their role will be to represent to the public authorities, as well as to the Central Economic council, the various regional economic interests of the country. To allow labor a say on their recommendations, these

must always be communicated to the Central council, where labor has large representation. There exists also a National Federation of Chambers of Commerce, but this is merely a central bureau of documentation and research, not an official representative organ. The final text of the law, however, omitted all mention of these Chambers, probably in view of particular legislation in their regard.

### Chambers of Crafts and Trades

The "Exposé des Motifs" explains that in view of the great complexity and multiplicity of the economic activities of the middle class, it would be judged necessary to establish these new organs in order to represent the interests of the small businessmen, artisans, etc., in the larger economic councils. They would be on a par with the other independent private associations of labor and capital already represented there.<sup>30</sup> The final law makes no mention of them for the present.

### National Labor Council

This institution, which has been in successful, unofficial operation for several years,<sup>31</sup> is given official status by the first draft of the law. It is the counterpart of the Central Economic council in the social sphere. Its role is to present to the government authoritative information and recommendations on all matters pertaining to social legislation and personnel problems between labor and capital, such as wage accords, working conditions, etc. It is not an organ for arbitration. The final text makes no mention of it for the present.

### National Labor Commissions

Since these institutions, called Parity commissions, have been given full official status by a law of June 9, 1945, we mention them here merely to round

<sup>30</sup> *GSC Bulletin*, January, 1948, p. 22.

<sup>31</sup> *Ibid.*, p. 29; *Bull. soc. des ind., op. cit.*, pp. 312-13.

out the symmetrical picture of existing labor-management legislation. These commissions are the official organs for establishing collective accords and settling disputes between labor and capital in each particular industry. Their accords are freely accepted but can be made legally binding if necessary. Their moral authority ordinarily suffices, and they have proved themselves outstandingly successful for many years, on the admission of all parties.<sup>32</sup> They also play a secondary role in an advisory capacity to the National Labor council.

### Local Councils

In the *Exposé des Motifs* attention is called to the fact that the establishment of local Councils is the most important and revolutionary part of the new legislation. For it is evident that it is not so much in the few national councils as in the practical, daily collaboration of labor and management in the thousands of local units that the real success or failure of labor's new role of *cogestion* will be determined. Hence the authors of the bill take great pains to make clear the motives and meaning of this new institution.

Without doubt ever more comprehensive and stringent regulation is already assuring respect for the legitimate rights of the workers. . . . Nevertheless, the internal structure of the business enterprise has not changed. Its juridical foundation is based on the traditional notion of property and the work contract. . . . The task of the legislator of tomorrow will be to replace this contractual substratum by the idea of institution, which will make it possible to unite harmoniously within the enterprise the social forces which cooperate in the attainment of its end, without one dominating the other. From this point of view it is certain that the creation of these [local] plant councils constitutes a structural reform of basic importance. It is a decisive step in the elaboration of a new business law which will permit the close and fruitful collaboration of the forces of labor and capital. . . .

The evolution of industrial technique has depersonalized further and further the notion of work. . . . The disillusioned psychology of the worker, as recent experiences have clearly brought out, has certainly not favored either the efficiency or the cohesion of the factory. Thus if we wish to restore to the workers their sense of personality and the meaning of their productivity, it behooves us to make them associates in the economic life of the plant in which they are just as essential a factor as those who, up to the present, have retained for themselves both the management and the ownership of the plant—or at least the management.<sup>33</sup>

The authors then add that since such a far-reaching reform must not be hastily improvised and imposed, the present law is but a first step toward a new order of full industrial democracy, insofar as present experience and opinion will allow.<sup>34</sup>

### Role of Councils

The specific provisions of the bill can be summed up briefly. A Local or Plant council (*Conseil d'entreprise*) is to be set up in all those business establishments (not merely factories) where a union already exists. This restriction to enterprises in which unions already represent workers is intended to prevent the Councils being used as a weapon against the unions. Membership of the Council, presided over by the director or manager of the plant (*chef d'entreprise*), is composed of representatives of management, chosen by the director, and representatives of the workers or personnel, elected by the personnel from lists presented by the "most representative unions."

The final text of the law enters into much greater detail. The number of members is to be not less than three, nor more than 20. Their term of office is two years for the first term, four years thereafter, re-election being allowed. They shall be chosen by secret ballot from lists presented by at least all those unions claiming 10% of the

<sup>33</sup> *Ibid.*, p. 25.

<sup>34</sup> *Ibid.*, pp. 25-26, 15.

<sup>32</sup> *CSC Bulletin*, art. cit., p. 29.

workers. (This point is to be further determined by the executive power). It seems that the candidates presented need not themselves belong to a union, though the law is not sufficiently clear on this point. Candidates must be Belgian, 25 years of age, and have worked at least three years in the given industry, six months in the plant they are to represent. Exceptions for foreigners can be made by the executive power.

### Social and Economic Aims

The role of the council is twofold, social and economic. In the social sphere it has a deliberative voice with management on a wide variety of social and personnel questions, such as hiring, promotions, working schedules, vacations, supervision of the social services for the employees, enforcement of existing social legislation, etc., in a word, whatever concerns in a constructive way the life of the workers themselves inside their business establishment. The role of the union remains intact, however, with regard to wages and the field of grievances.

In the economic sphere the council's role is limited to one of advice and suggestion to management on the technical running of the factory: better organization and conditions of work, more efficient production methods, etc. The lawmakers judged it wiser not to go any further than this for the present, and for several reasons. First, employer opinion is still too strongly opposed to any sharing of authority in the technical direction of their plants, especially since this directly touches on finances. It is hoped that by accustoming them to listening to the workers' suggestions, the ground will be gradually prepared for further sharing of authority with them. Secondly, the workers are not prepared to take over real economic responsibility as yet. It is wiser to let them educate themselves by practice first.

Thirdly, in the present state of business law the workers have no position of legal responsibility in an enterprise; hence it is not possible from a juridical point of view to allow them to share control over matters affecting the money of others.<sup>35</sup>

However, the bill does grant the workers certain rights concerning financial matters which are a radical innovation. "In order," it explains, "that they may take a real interest in the efficiency of their work and participate usefully in the management of their plant, the workers must receive exact information on the essential factors of the progress of the business."<sup>36</sup> Drawing its inspiration chiefly from the collective accord of the Verviers textile industry, the law provides that the members of the Council shall have the right to receive from the director every three months general information on the productivity and progress of the business, and at the end of the year reports and documents giving it a clear idea of the results attained by the company. On demand of the workmen, these reports must be certified exact and complete by an accredited accountant selected from a list agreed on by the organizations of both employers and labor. The final text specifies that the list of revisors be drawn up rather by the National Economic council for that industry. Thus the bill aims at satisfying at once the legitimate desire of the workers to know the results of their work and the no less legitimate insistence of the employers that their books be not subject to indiscriminate investigation by non-specialized persons.<sup>37</sup>

The final text of the law concludes with provisions for government inspectors to ensure enforcement, and penal-

<sup>35</sup> *Ibid.*, p. 26.

<sup>36</sup> *Ibid.*, p. 27.

<sup>37</sup> *Loc. cit.*

ties for violations.

### Reactions to Bill

The reactions to the law were immediate and lively. Even though the actual provisions of the new legislation were rather cautious and not immediately revolutionary in effect, it was evident that this was the opening wedge for a new "anticapitalist" order in which labor would participate more and more in the hitherto exclusive authority of management. The law itself made this clear in the *Exposé des Motifs*.<sup>38</sup> Accordingly, the Liberals as a political bloc and the conservative laissez-faire group, including a strong representation of Catholics, made common cause in launching a vociferous campaign of opposition.<sup>39</sup>

The focal point among the Catholics was the powerful *Libre Belgique*. In view of the fact that this is the only national Catholic daily in French and is read regularly by most of the clergy and the bourgeoisie, its reactionary stand on this matter so close to the hearts of the workingmen proved most embarrassing to Catholic social leaders and infuriated the union men. Some of the more social-minded bishops have gone so far as to flay it unmercifully in public, but as yet all attempts to establish a successful competitor have failed. It is important, therefore, not to judge Catholic social opinion in Belgium exclusively from the columns of the *Libre Belgique*.

### Reasons for Opposition

The principal objections of this conservative group, shared to a greater or lesser extent by a large number of ordinary businessmen, are as follows:

1. The national councils constitute a fatal step towards nationalization or some form of government control over private industry.
2. Since the workers take no part in the financial risks of business they have no right to intrude into its management.
3. Even if they had a right, they have no competence or preparation for the highly technical problems of modern industrial management and would only cause confusion and paralyze the unified authority and initiative of management, the keystones of modern industrial progress. The competitive vitality of Belgian industry would thus rapidly decline and capital go elsewhere.
4. Radical labor groups might well use their new power for purposes of class-warfare and wreck private enterprise from within.

Since their party sponsored the bill, and the workers want *cogestion*, the Socialists naturally support the bill, so far as it goes. But they find themselves in a curious dilemma with regard to the whole problem of structural reforms. Their program calls for full economic *cogestion* by the workers, but in nationalized enterprises (at least the larger ones). Yet in the present legislation, due to Catholic insistence, the whole system of labor-management collaboration is set up within the framework of private enterprise. Hence they are for *cogestion*, but at the same time are afraid that if the present plan works too well, the very basis of their campaign for nationalization will be cut out from under them. As a result, their position is somewhat hesitant on the whole question, and they have never come forward with as clear-cut and concrete projects as the Catholic party.<sup>40</sup>

<sup>38</sup> See notes 24, 34.

<sup>39</sup> Repeated statements of position can be found in the partially liberal newspapers, *Le Soir*, *La Dernière Heure*, and the journals of the Chambers of Commerce. The latter, especially in Brussels, are still strongholds of liberal opinion.

<sup>40</sup> According to Canon Ketels, chaplain of the Confédération des Syndicats Chrétiens; see also *Bull. soc. des ind.*, January, 1948, pp. 304, notes 2, 312; Finet, *Vers la démocratie sociale par l'accession des travailleurs à la gestion de l'entreprise*, Brussels (Socialist).

As for the mass of the workers, they felt that although the bill did not by any means give them all they wanted, still it was a long step in the right direction and therefore to be supported vigorously.<sup>41</sup>

### Catholics Lead Movement

But what is especially instructive for our purposes is the constructive criticism of the Catholic social leaders, in particular the Catholic employer and Catholic union associations. Shortly after the presentation of the new bill in Parliament, on February 3, 1948, the leaders of the two organizations concluded a long series of meetings and negotiations by signing an epoch-making accord. Both groups not only committed themselves to the principle of *cogestion* and to work for it in practice, but agreed on an amended text for the part of the law dealing with local councils.<sup>42</sup> The Papal Nuncio considered this accord so important that he asked the chaplain of the Federation of Catholic Unions, Canon Ketels, to prepare a special private report which was then sent to the Holy Father.<sup>43</sup> The Canon was kind enough to show the writer this interesting document and allow him to quote from it ("but not in Belgium!"):

The employer group has taken cognizance of the formal declaration of the Christian workers that they aim at the replacement of the present capitalist regime by the gradual introduction of structural reforms. . . . This is the first time in Belgium and perhaps in the world that a concrete accord has been reached

on structural reforms, reforms which are delicate, but necessary for social and economic progress. The Socialists and Marxists can no longer object that real co-operation between capital and labor has been proved impossible. . . . From this agreement between Catholic employers and Christian workers emerges the clear and definite position of the Social Catholics, employers and workers together, before public opinion and especially the working masses. It is only by the union of all the Social Catholics that thorough and efficient reforms can be brought about. Belgian Catholics have proved that they are in the vanguard of social progress.

It should be remembered, however, that the accord still leaves intact certain basic differences between the two groups, notably the question of the entry of workers into the board of directors of corporations; against this the employers still hold firm.<sup>44</sup>

### Reply to Conservatives

One immediate manifestation of their accord was their common defense of the principles of the bill against the conservative objections listed above. Their answer in brief was: 1. The danger of government control or nationalization is not serious. The bill explicitly excludes this and is designed to render it unnecessary in future. Doing nothing would be a much quicker road to intervention. 2. The workers risk their whole livelihood in a business and suffer more acutely than capital in case of failure. This, in addition to their productive role, gives them the right to their say. 3. The unions have been preparing men for the new posts for several years in special worker schools. Admittedly they will have to feel their way at first, but how can they ever learn unless given a chance in the concrete? One of the very reasons for the plan is that it will permit the workers to educate themselves in and

<sup>41</sup>J. Fafchamps, "L'organisation de l'économie," *Dossiers de l'action sociale catholique*, XXV, January, 1948, 19-35.

<sup>42</sup>Text and a brief commentary in *CSC Bulletin*, January 1948, pp. 8-11; *Bull. soc. des ind.*, February, 1948, pp. 52-53.

<sup>43</sup>"When I saw the text of this accord, I felt genuinely moved. It is the complete and concrete realization of what the Church has always desired, the collaboration of the classes" (*Bull. soc. des ind.*, May, 1948, 216).

<sup>44</sup>*CSC Bulletin*, January, 1948, p. 8; *Bull. soc. des ind.*, May, 1948, p. 216.

by their work. The results are to be judged not by next year, but by conditions ten years from now. Furthermore, the workers' practical sense and concrete knowledge of working problems should prove a great help to management, whose record of success in running the economic machine has not so far been one of unspotted brilliance. As for weakening management's authority in a plant, the councils in no way affect the actual executive power and command of the director, who still remains sole practical boss in the plant, once decisions are reached. 4. As for the danger from radical labor groups, there is some risk to be run. But in the concrete, in Belgium, 1948, and for the foreseeable future, the Communists are a very small group, and both Catholic and Socialist unions are sufficiently reliable to make the risk worth running. The success of the National Labor commissions is proof enough of this. To wait indefinitely would be even more dangerous. Let us take the risk and solve the individual problems if and when they occur. That is the only way any progressive social legislation of the past was got through.<sup>45</sup>

### Compromise Agreements

But even though the Catholic groups were satisfied with the principles of the new law, they had several serious objections. First, they agreed on an amendment limiting to businesses employing a minimum of 50 workers the *obligation* to establish local councils. (A business which employs 50 workers is considered large in Belgium). The reason for the amendment was that it might be difficult in the smaller businesses to find workers competent enough to take part effec-

tively in the councils. Moreover, since these small businesses were mostly family enterprises, relations with the workers would remain intimate enough not to need an official council. Hence it was judged to be wiser not to impose the new institutions except where necessary and where there is a good chance of success.<sup>46</sup> This amendment was accepted, as was noted in the previous analysis of the law.

A second amendment agreed upon by the two Catholic groups undertook to make a distinction between small and large companies for the communication of financial information. Since many of the smaller ones are not obliged by law to publish reports, and general production figures would make clear enough their status, only companies which were capitalized at \$200,000 or more and which employed 500 workers would have to communicate detailed reports. These, if the director wished, could be imparted to a delegation of only five from the council, in order to guard against betrayal of secrets to a competitor.<sup>47</sup> This amendment was rejected by Parliament.

The above two amendments formed part of the written accord between Catholic employers and workers. In addition, both agreed that the Secretariates attached to the National Economic councils should not be staffed by government employees. This might constitute a real danger of indirect government control, especially since the staffs would be more permanent than the members of the councils. Furthermore, they might interfere unduly with free competition by revealing secret techniques of particular companies.

Some of the employers had special reasons for hostility against them,

<sup>45</sup> *Resumé* of numerous speeches, conversations, etc., e.g., speech of M. Harmel, spokesman for Catholic party in Parliament, *Bull. soc. des ind.*, July-August, 1948, p. 314-17, esp. p. 317. Cf. also n. 1, above.

<sup>46</sup> *CSC Bulletin*, January, 1948, 9-11.

<sup>47</sup> *Loc. cit.*; *Bull. soc. des ind.*, May, 1948, pp. 216-17.

since their own industries had for some time possessed highly efficient secretariates of their own, built up with great expense and effort, and it seemed unfair to scrap them and set up totally new and untried staffs. Thus Mr. Bekaert, president of Fabrimétal and of the Federation of Catholic Employers, made two vigorous speeches against the new Secretariates. The unions, on the other hand, were not willing to accept Secretariates dependent on the employers and were not at all pleased with Mr. Bekaert's speeches.<sup>48</sup>

An amendment was finally agreed upon which provided that the staff of the Secretariates should be chosen by the members of the National Councils themselves and not by the government, and which carefully limited the sources and nature of the information they were to collect. This amendment was incorporated into the law, as we have seen.

### **Employer Recommendations**

In addition to these joint proposals, the Catholic employers presented many independent amendments and appeals for greater clarification of the often vaguely-worded law, e.g., on the exact functions of the official revisors of company accounts. Of these suggestions some were accepted, others rejected. Among those accepted, the most important were the following two: 1. In those business establishments where in addition to a majority of manual laborers there are at least 50 of other employed personnel, and also where there are at least 50 workers among a majority of other personnel, two separate voting groups should be set up, to ensure adequate representation of both kinds of employees. It had been found by experience that where non-manual workers were numerous, yet in a minority, they often had nobody of their own level to rep-

resent them on the council.<sup>49</sup> 2. The executive power should have authority to stagger the application of the law as regards local councils, setting them up first in one sector of industry, then in another, profiting by the experience thus gained. Thus, too, the industrial system would not receive too severe a shock all at once.<sup>50</sup> Both these amendments were first rejected by the Chamber of Representatives, then restored by the Senate and ratified by the lower Chamber.

### **Non-Union Representation**

Among the amendments rejected entirely, the most important concerned what not only the Catholic employers but a large number of others considered as perhaps the major defect in the bill.<sup>51</sup> This was the monopoly of the unions in naming the candidates for the councils to be elected by the workers. Since only about half of all workers are union men, there is still a considerable number of plants where only a small percentage of the personnel belongs to a union. In this case the unions would naturally pick men in the union or favorable to it, and the council would thus not fairly represent all the workers.

Besides, the employers wanted their councils to be as far removed as possible from the atmosphere of grievances and opposition so frequent in their dealings with the unions. As a matter of fact the Catholic unions finally consented to a double ballot if in a given plant the unions did not represent a certain percentage of workers, to be determined by the executive power. But Parliament, unwilling to risk any weakening of the union principle, would not hear of the amendment. Besides, they said, it would favor the Communists, who are now deliber-

<sup>49</sup> *Bull. soc. des ind.*, September-October, 1948, p. 363.

<sup>50</sup> *Loc. cit.*

<sup>51</sup> *Ibid.*, pp. 364-65; July-August, 1948, p. 310; May, p. 199.

<sup>48</sup> *Falchamps, op. cit.*, p. 35.

ately trying to disrupt the unions and disaffect the workers from them, since their attempt to control them from within has been discovered and thwarted. The union men also argue (with just cause, according to many Catholic moralists) that all the workers should on principle belong to a union.

### Final Passage of Bill

From January 8 to June 2, 1948, the bill was discussed and amended in committee, while the workers waited impatiently. Mr. Leburton then presented the approved text for public discussion in Parliament, delivering a most enlightening analysis as official spokesman for the special Commission. Mr. Pierre Harmel also made a masterly speech of recommendation in the name of the Christian Social party.<sup>52</sup> Both stressed the fact that the bill was the result of an effort of conciliation between the main parties involved, and that it would only work if a sincere effort of constructive cooperation was made by both capital and labor.

Mr. Van Zeeland made the same point in his presentation to the Senate.<sup>53</sup> As discussion began to drag on again, the workers increased their popular pressure, even threatening general strikes to prod along the still somewhat hesitant legislators. The bill finally passed both houses and became law with the Prince Regent's signature on September 20, 1948. It went into effect January 1, 1949. Its extension to all industries is not to take longer than two years.

### Perspectives for Future

What are the chances of success for this truly epoch-making piece of legislation? It must be admitted that there is no bubbling over of optimism. Aside from the more social-minded leaders

(some 200 had already set up voluntary plant councils), most businessmen are accepting the law with more or less resignation. But the majority do seem ready to make an honest effort to give it a fair chance. They have their fingers crossed, however, on the extent of competent, constructive collaboration the unions will be able or willing to give.<sup>54</sup>

The unions, on their side, have their fingers crossed on the wholeheartedness of the employers' cooperation with the new regime of *cogestion*. They have reasons for believing that a certain number will try to make the new councils mere tools for increasing production or mere rubber stamps, and they feel that their fighting days are far from over.<sup>55</sup> They cite the cynical remark of one employer: "Up to now we have kept two sets of books, one for the government and the other for ourselves. Now we will keep three, one for ourselves, one for the government, and one for the councils."

Still, there is cautious optimism on both sides, especially among the workers.<sup>56</sup> Since the bill has more safe-

<sup>54</sup>For typical statements see "Cogestion," conference of L. Cornil, administrator-delegate of the Fédération des Industriels Belges, in *Bull. soc. des ind.*, February, 1948, pp. 63-66; speech of M. Van der Rest, President of the same organization, *ibid.*, July-August, pp. 312-14; and his article, "Les réformes de structure," *Revue du Travail*, September, 1948, pp. 736-38.

<sup>55</sup>*Au Travail* (organ of Catholic unions), Noël, 1947, p. 3; O. Grégoire, "Des travailleurs parlent de l'entreprise," *Dossiers de l'action sociale catholique*, August-September, 1948 (rather pessimistic).

<sup>56</sup>In "Les premières réformes de structure," *ibid.*, October, 1948, pp. 588-90, Grégoire sounds a much more optimistic note in concluding a brief evaluation of the final form of the law (the complete text of which it reproduces): "We all hope that the different councils set up by this law, as well on the local as on the national level, will, in the immense majority of cases, succeed in conquering a moral authority which they will put at the service of the community... a magnificent

<sup>52</sup>*Ibid.*, July-August, 1948, pp. 314-17.

<sup>53</sup>*Ibid.*, September-October, pp. 365-66.

guards than its French counterpart, and was prepared after thorough consultation with both labor and capital organizations, it has greater chances for success than the French law. At any rate, despite its imperfections, it is certainly the most comprehensive and important piece of labor-management legislation yet attempted in any country within the framework of pri-

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experiment, and one that must succeed. To believe in its success is to render homage to the new spirit which more and more is animating Belgian employers; it is also to render an equal homage to the maturity of which the Belgian working class has for long years given proof.... We must now lay hold of this law and use it as a powerful instrument of progress, with an enthusiastic and confident will."

vate enterprise, and is an immense step forward from the point of view of a Christian social order.

As regards the role of the Catholics in the whole affair, the most significant lesson for us is the remarkable example of teamwork between the social thinkers on the one hand, who elaborated the principles, and the associations of employers and workers on the other, who by technical competence, hard work, and realistic cooperation, not only with each other, but with other political parties, saw this revolutionary legislation through to its final, not too imperfect form. If it works successfully, perhaps we may use it as a model when the time grows ripe, as it inevitably will, for industrial democracy in our own country.

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## Group Development

There is something that a family-sized group of devoted individuals can do for themselves and their own development that no amount of personal attention even on the part of a holy priest can do. "Study together, pray together, work together, play together." A group doing this will slowly become a new entity, a new body, and realize more than ever before they are members of one another as well as being members of Christ. The group should be homogeneous as far as possible: farmers in one group, industrial workers in another, professional people in a third; college girls, high school boys, young mothers — each group preparing itself to work chiefly in its own environment, to enthrone Christ not only in their own hearts or own homes, but also in the hearts and homes of others, and in all the public places where secularism has been allowed to take over.

Archbishop Edwin V. Byrne

# A FOURTH SPECIES OF JUSTICE

## Modern Property Relations Evolve New Type

John E. Cantwell, S.J.

Saint Louis University

JUSTICE IS DEFINED AS THE VIRTUE which inclines a person to give to another that which is his. The other person is said to hold as his that which is proximately ordained to him. What is proximately ordained to one, is not explained further but is exemplified; a person's life, powers, reputation, property are cited as instances of things which exist to serve the one who is called their owner.

Traditionally there have existed three species of justice. The first is found, for example, in the situation of buying and selling. Here one of two definite, equal, separate, mutually independent parties owes to the other that which is the other's. The purchaser who has received the article of trade owes to the seller the price, which is now the seller's; the purchaser who has paid the price has a right to the article he has bought. The parties may be individual human beings, corporations, states. In this case justice demands that the seller receive a price equal in value to the worth of the article sold, and because buying and selling is the commonest field for the exercise of this kind of justice, it has given its name to it—commutative justice.

### Factors of Right

Usually in cases of commutative justice we can point out exactly, 1. the person who has the right, 2. the reason why he has it, 3. the amount of the right and 4. the person against whom he has the claim. When that can be done, when the four factors of a right

—subject, title, matter and term—can be determined in detail, the right is full and complete. If, on the contrary, one or more of the factors cannot be so determined, the right will be incomplete; but the right will exist.

The second species of justice is found in the relations between a civil society and its citizens. It is different from the first because it exists, not between two equal, separate, independent parties, but between two who are related as whole and part, superior and inferior. Civil society has a right that the citizen do his share towards the promotion of the common good, and the citizen has the obligation of giving that cooperation. Because the things to be done in fulfillment of the citizen's duty are laid down in the law, this type of justice is named legal.

A third type of the virtue is found in the reverse of the second type. People do not establish states simply that they may have the institutions and functions of civil society, but that the citizens may enjoy a more complete, temporal prosperity. The state is for the benefit of the citizen; citizens first subordinate themselves to the state by obedience to its law that, in the second instance, they may all enjoy greater prosperity. In this justice the citizen—who is the part, the inferior—has the right to his share of the benefits and no more than his share of the burdens which come from civil society; the civil society—the whole, the superior—has the duty, which it exercises through government, of seeing that each one receives his share.

## New Type Developed

The above three species of justice were enough to settle, for all practical purposes, the different questions of rights and duties which arose through the centuries. But somewhat recently a new development in property-holding has created a situation out of which a new type of justice in the relations of man with his fellowman has evolved.

While economic developments, especially in the field of property-holding, were the occasion that gave rise to the new right-and-duty relation, and while it is in the economic field that the fourth kind of justice finds its most frequent and important exercise, this new virtue is not limited to that field. It exists and binds men in whatever field we find verified the conditions which we are about to describe. We intend to expound the matter in economic terms but do not mean to limit the extent of the virtue to that area.

### Exposition of Right

First, then, God has created individual man, put him on this earth and ordered him to use ordinary means to keep alive, forbidding him to commit suicide by neglecting to care for life and health. But the only source of life for man, his only source of food, clothing and shelter, is the earth. Therefore God, in laying the above duties on man, has given man a claim to sustenance from the earth. A part of the earth is proximately ordained to man, is his; for that is the only means by which he may fulfill the precept to keep alive and avoid suicide. The ordination is proximate, directly between man and the earth, because one man is not ordered by God to live subordinately to someone else's good pleasure.

Secondly, the creatures of the mineral, vegetable and animal kingdoms have as their destiny the service of mankind. For, if the oil and coal and

various ores in the earth are not used by man, they simply lie there idle; if the forests and grains and vegetables are not cared for and used by man, they become jungles or run to seed; if man does not use the various animals on earth, they live and die — nothing worthwhile results from their existence: and from man's point of view, men are unable to live, without the use of the non-human creatures. But if, on the contrary, man uses the material things of earth, not only is he preserved and perfected, but the minerals, vegetables and animals are bettered and perfected.

In the third place, material things do not lose that primary destiny of theirs — to serve men — by becoming the private property of an individual man. The goods that a man honestly acquires are truly his; he owns them and has the exclusive right of disposing of them. But, because his possessions have not changed their nature by becoming his, he has the obligation of disposing of them according to what they are, according to truth, i.e., of seeing to it that they accomplish their purpose. So, if we suppose that a man has honestly acquired the ownership of one-half of the productive goods of the earth, that accumulation of property is his to be disposed of by him; but in the disposal he must see to it that it is used for what it is, the sustenance of one-half the human race.

Finally, the world has come to the point where a small number of men possess large pieces of the world, while a large number of men have no property.

### Groups in Society

The above factors constitute the situation out of which—in the economic field—arise the rights and duties of a fourth species of justice. The parties are two groups. The "have nots" have a claim against the earth, which is now possessed by a group of private owners, for sustenance which is proximately ordained to them, is theirs;

for God's order to one man to keep alive certainly is not dependent on the mediating good will of another man who holds the earth. The "haves" are under obligation to see that their material possessions attain their end, the service of men—concretely, the men who "have not."

This set of rights and duties which binds in justice, does not bind in commutative justice. We have not here two definite parties; we have two groups, more or less well-defined, but no individual of the "have nots" can elect some individual of the "haves" and say of him, "There is the man who owes me mine."

Nor is this fourth justice either legal or distributive. For it can exist independently of civil society. Given a definite section of the earth and a growing pioneer population, the mutual claim and obligation could exist before the people had established civil life. But the independence of this fourth justice from legal and distributive is more emphatically shown by describing its exercise inside an established civil society.

### Example Cited

If, for example, the people concerned with railroading in the United States—the stock and bond holders, the managers and executives, the laboring men—together with their customers, the public, should of their own initiative solve the problem of making the railroad industry supply a living to the thousands of families dependent on it, without treating unjustly the public: if they should do that, they would demonstrate that they have intellectual ability and good will of a high order, that they are good men and good citizens.

But if those people do not solve their problem, the reason will be that they lack either the knowledge or the will, or both; that stamps them as inferior men, low-grade citizens.

For economic enterprises as large

as the railroad or the steel or coal industry in the United States present problems which cannot be allowed to go unsolved, which cannot be solved by the individual, independent work of individual owners, or plants. They must be solved, therefore, either by the associated efforts of those concerned, or a solution will be imposed from above by civil authority. It is not difficult to see that the voluntary solution is far preferable to the legal one. The advantages of that course are the development and perfection of men in knowledge and will, in the true and good, in rational, human, moral, worth, whereas waiting upon government to do such work can only result in putting upon government too many tasks and the kinds of task for which it is not fitted and is, in fact, unable to perform. Whence must come a poor kind of life, tyrannous if not ruinous, a miserable type of citizen, a poor specimen of man.

These considerations show that voluntary solution of such problems is not only preferable but obligatory; for man is obliged to strive for intellectual and volitional, i.e., human, his own, perfection.

### Groups and Individuals

This fourth species of right and duty under justice is, indeed, incomplete. For we cannot assign in detail—for all four factors—the subject, title, matter and term of the right. Just who each claimant is and who each debtor is, and what is the extent of the right or the duty—these matters are not yet determined. But the incomplete right is a reality which is not to be set aside by reason of its incompleteness, but which obliges man to complete it. At this point, in the attempt to fill out and complete the rights and duties by specifying exactly what each one has a right to and what each one owes, we run into the following difficulty: the obligation seems to fall on the group, so that

each and any individual can disclaim the responsibility of "doing anything about it" unless the group acts.

In economics the individual wealthy man who uses his wealth properly so that it attains its primary purpose would be fulfilling materially the requirements of this justice, but the philosopher might well characterize such work as an exercise of the virtue of liberality, the proper use of money.

But, in the more complete meaning of this fourth kind of justice, going beyond the economic application of it (we mentioned this point earlier in this paper) there is question of men fulfilling duties which they owe to groups of their fellowmen.

### Some Duties of Individuals

In three fields, at least, individuals are obliged by this fourth species of the virtue of justice. There are, first, those who can expound the theory, the philosophy, of this matter. If we add up the given circumstances: the great numbers of men existing without ready access to sustenance from the earth, the need to have a moderate amount of goods that one may be able to live a life of virtue, the extreme importance of a peaceful settlement of this matter of wealth, we get but one answer. The philosopher, the expert with the knowledge, is obliged by reason of his neighbors' need, to teach. For the same reasons the men who can in given countries propose policies and programs for the accomplishment of this justice, are bound to do so. Thirdly, men with authority—for example, a bishop or a man like Bernard M. Baruch—are, for the same reasons, bound to use their authority, their position, to further the work.

The "dollar-a-year" men of recent United States history give us a fact from which we may argue to an individual's obligation to lead. It may well be that all the work actually done by those men was "above and beyond" duty, but it is not difficult to envisage

circumstances in which such men would be obliged by the fourth kind of justice to do such work; so a man gifted with the talents to further the development of this justice, and not excused by some other prevailing right, could be obliged to undertake such work.

### Pope Shows Duty

I believe Pius XII was thinking the same thought when he said in his broadcast on the post-war famine threat, on April 4, 1946:

In effect these warnings show the grave responsibility before God of all those who because of their special gifts or because of their position are summoned to ward off that danger in a directive or in an executive capacity by reason of their office or by their private effort.

They show the grave responsibility before God of all who by their foresight and diligence and wise economic arrangements in the production, transport and distribution of food have it in their power to alleviate the misfortunes of many.

I think that the exercise of this justice enters into the following situation, although I have not yet found anyone who agrees with me. Given: a. An industry made up of eight or 10 units, e.g., 10 steel mills; b. a market in which all but one of the mills is, "through no fault of its own," unable to pay a living family wage; whereas the one mill can pay that wage; c. stability, a general practice of the workmen of staying at one plant for life. Then, these conclusions follow: the favored mill is not obliged in commutative justice to pay more than the general wage of the industry, which is less than the living wage. But the settled circumstances of the case indicate that the workmen of that favored mill are, practically, actually, associated to the resources of that business for their livelihood; wherefore their incomplete right to sustenance is made complete by the concrete circumstances, and the mill is obliged by the fourth species of justice to pay the living wage.

# THE BOURGEOIS FUNCTION

## *A Suggested Application of Catholic Social Theory*

### II

by James F. Hanley, S.J.

Saint Joseph's Hall

IN A PREVIOUS ARTICLE<sup>1</sup> efforts were made to show how the theory of nationalized, or state-owned, industry fails in one important respect—it does not provide a guarantee of expanded production. This failure is really reducible to the theory's inability to find a substitute for the bourgeois entrepreneur, the enterprising and daring individual in whose hands has been given the task of expanding productive frontiers during the past two centuries in the West. It was a serious mistake for the post-war economies of Europe to proceed without filling out this lacuna in socialist theory to the task of actual state-ownership and operation of many key industries. The lack of production that ensued has been noticeable to all observers, and Pius XII called the attention of French social theorists to this situation when he instructed the *Semaines Sociales* to give serious study to the productivity problem.

When the Holy Father first gave his approval to Catholic associations advocating nationalization programs, he was keenly aware of this fundamental, technical difficulty of socialized economy, just as he was aware of the terrible possibilities that schemes

of this kind have in the realm of totalitarianism. Thus, we see that he reminds the faithful that nationalization is not the "only means," nor the "best means" of bringing large-scale industry to the service of the common good. And the terms of Catholic support for nationalization programs are clearly given, the support being forthcoming only when such programs are the sole means of remedying injustice or coordinating the use of the economic forces of a nation for the benefit of economic life of the inhabitants.

#### Why Such Approval?

But why did the Holy Father permit such support at all? Is not the papacy committed to the corporative program of social reconstruction? Is he not granting Catholics permission to support a movement in fundamental opposition to the papal program itself? These and other questions of a like nature can be answered only if a consideration is had of the intransigency and complacency that has characterized the present system, even in the face of justly founded criticism.

Since the time of Leo XIII, the papacy has called upon modern industry to assume responsibilities that have arisen in the very atmosphere of large-scale enterprise. The wage prob-

<sup>1</sup> SOCIAL ORDER, 1 (1948) 455-458.

lem, the employment problem and the problem of price-profit ratios do exist. Leo XIII, Pius XI and Pius XII have asked industry to address itself to the task of reform that is necessary if these and other problems are to be solved.

But, although industrial peace and common justice have been at stake, the issues have not been taken up by industry, because industry has been complacent and not impressed by criticism emanating from the Chair of Peter. The reason for this complacency is to be found in the terms of the conflict that has been raging between Catholicism and Communism for the soul of the West. It was incomprehensible to businessmen that the Catholic church should support anything radical at the very moment when the radical cause was dominated by the Marxian thesis.

As a generality it is true to say that industrial leadership under the present system has paid no attention to the Popes, because this leadership has been convinced that the Popes had to support the status quo or surrender to Communism.

### Considered Last Resort

The attitude of these business groups was founded, to some extent, on truth. The connection between nationalization and totalitarian ideologies was close in the era before 1944, and this fact alone would deter the Holy Father from granting permission for Catholics to support the de facto nationalization schemes of that period. Furthermore, the papacy has been well aware of the fundamental, technical weakness of any system of state ownership. Knowing nationalized industry's weakness in the matter of productivity and its expansion, the Church's leadership was willing to see it displace the present productive technique only as an antidote for grave injustice that will not be remedied in other ways.

There have emerged in the Labor party of Britain and some of the Christian Democrat groups of the Continent champions of state-ownership who are, at the same time, bitter opponents of totalitarianism. This has made for the elimination of that close tie that has always existed between proposed nationalization plans and statism, so that, on this score, at least, it could be reasonably believed that in supporting them, the Catholic groups would not be taking steps to support totalitarianism. Furthermore, the intransigence of the present system, its complacency in error, and its unwillingness to fulfill its obligations in the realm of social justice have made it possible for Catholic groups to weigh the advantages of the present system against its manifest defects and to support state-ownership wherever justice and the common good can be achieved in no other way.

### Employed as Weapon

It should be pointed out that this weighing of advantages and disadvantages is to be done on the one-industry level. In other words, wherever an industry gives evidence that it is not able or willing to fulfill its obligations to the community, then, in order to protect itself from grave injustice and exploitation, the community will take over the ownership and be the exclusive operator in such an industry. Or, to state the matter negatively, nationalization will not be applied to those industries that assume and carry out their obligations. In this way, nationalization is used as a threat in order to force industries to act in the interest of the common good, and its use is limited to those instances where the industry refuses to act. In this way, the dangers of total nationalization are reduced to a minimum, while, at the same time, the expansionary advantages of the present system are maintained in as many cases as is possible.

## Criteria for Judgment

It is evident that a use of nationalization as a weapon for reform demands that certain basic questions be answered: 1. What, specifically, are the obligations of a given industry to the common good? 2. How do you judge whether an industry is fulfilling these obligations? 3. In the supposition that a given industry is not fulfilling its obligations, what steps are to be taken to persuade compliance to the dictates of justice before nationalization becomes operative in the industry? An attempt will be made to answer each of these questions.

The principal obligations of a given industry to the common good are actively to cooperate in keeping employment stable and to contribute to the raising of the standard of living of the community. An industry is contributing its share to employment stabilization and elimination of economic depression if it absorbs its share of the new laborers seeking employment each year. This is a thing that is directly measurable and can be verified in a very short period of time. It will show up on an industry's employment rolls, and the fact that an industry has used ten per cent of the labor supply in the past is a good argument that, under normal conditions and other things being equal, it should employ ten per cent of the new applicants for work each year.

The fact that each industry has an obligation to contribute its share to the raising of living standards in the community is not difficult to prove. The difficulty in this matter is with measurement. If wages are progressively good—that is, if advances are being made by paying workers what they earn and making it possible, through productive improvements, for them to earn more—then there are good grounds for saying that this industry is contributing towards raised standards of living.

Of course, if these advances are made under bad pricing arrangements, then the general standard of living may be suffering through excessive prices in one segment of the economy. That is why the obligation in regard to stabilizing employment must be considered as on a par with an industry's obligation concerning living standards. It is quite likely that when wage progress is made while, at the same time, an industry is employing its share of the new labor supply, then the pricing structure is satisfactory, since people are able to buy increasing supplies of the industry's products.

## Limit to Nationalization

These two obligations, then, are the key to a rational (and, therefore, Christian) approach to nationalization. If they are being met by an industry under private management, then the state would be erring gravely, both in the area of technical production economics and in the more important field of social justice, if it were to convert such an industry to state ownership and operation.

A wise nationalization law, however, would not bring into immediate state-ownership all industries that fail to fulfill these two major obligations. It can happen that an industry will be unable to expand its employment rolls or contribute towards better living standards because of circumstances beyond its control. Changed tastes or changed needs could account for this. But the burden of proof should be on the industry; it must show that it has tried to extend its operations by reducing prices; it must show that it has a wage scale in proportion to its profit rate; and if such proof is forthcoming, then it would be a mistake to nationalize the industry. No benefit comes from state operation of an industry that is incapable of doing better in the employment and living-standard field.

## Probation Period Granted

Nationalization would be applied, then, only to those industries that are able, but unwilling, to fulfill these two major obligations. Before our very eyes these days we see industries that have very high profit rates (as high as 82 per cent in one industry in 1947), but which are not increasing production and employment. Under good nationalization laws, such industries would be given a period of time in which to reform. They would be told to reduce prices, extend the field of operation and absorb their share of the new labor supply. There are industries today that have been traditionally among our most unprogressive groups in the matter of wage payments, yet they are making very handsome profits. Such industries would be threatened with state-ownership unless they either increased wages or reduced prices.

This skeletal outline of a nationalization scheme may seem radical and unrealistic, but if one considers the impatience of our citizens and their

determination to use political action to attain the reform of the present system, it must be concluded that before long (at the next violent downward swing of the trade cycle, perhaps) we shall see nationalization coming to the United States, just as it has come to the countries of Europe.

In the opinion of the present writers a scheme that is based on success or failure by an industry in the important obligations outlined above will do much to conserve for the economy the advantages of private enterprise and, what is more important, will contribute to the organization of a corporative economy. This latter advantage can only receive passing comment here, but by forcing industries to organize and act as units in discharging their responsibilities, a wise nationalization law can contribute mightily to the Christian union of society, which as Pius XI has said, "will become powerful and efficacious in proportion to the fidelity with which individuals and industries strive to discharge their professional duties and excel in them."



## Role of Law

The very fact that collective bargaining is the center of our national labor policy means that the primary responsibility rests on management and organized labor. The main thing that legislation can do is to establish a psychological framework, to foster a climate of opinion within which the parties can develop the opportunities for cooperation that collective bargaining holds.

Archibald Cox  
*Fortune*, January, 1949

# CHURCH AND STATE

*Father Parsons' Book and the Issues*

Robert E. Delany

New York

IN THE RECENT PAST, three decisions of the U. S. Supreme court, revolving around the same point, have aroused intense discussion and speculation among religious and other civic-minded groups.

The first arose from a taxpayer's objection to the state of Louisiana supplying textbooks for students in parochial schools. This was assailed as a violation of the First Amendment which, in its pertinent part reads

Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof.

The interpretation of this broad phrase supporting the assault on Louisiana's action, was that the Founding Fathers thus erected a wall separating the state from religion; that this wall is designed to prevent any direct or indirect support of religion by the state; that the supplying of textbooks by the state in this instance breached this wall; that the action was, therefore, unconstitutional.

## Two Favorable Decisions

The Court rebuffed this argument and declared the support afforded by supplying textbooks to parochial schools was for a public purpose, namely, the education of American citizens, that it was only incidental their education was accomplished in a school other than the public one; therefore, the action was not unconstitutional.

The matter remained quiescent until a New Jersey taxpayer assailed the action of Ewing township in reimbursing the parents of parochial school children for bus fares paid in send-

ing their children to the school of their choice. The U. S. Supreme court, by a close decision, again decreed that this expenditure of tax money was for a public purpose, that the aid was for a citizen performing a mandatory educational function, that it was only incidental that the child was going to a school other than the tax-supported one.

## New Concept Introduced

In this case, however, a vigorous dissent introduced a new concept of the proper interpretation to be given to the First Amendment. This concept was that in considering its meaning, not only the debates of the first Congress should be searched, but also all the activities and writings on religion of James Madison, the unifying force behind the Amendment, and that the religious tone of the day should be considered as of importance equal to the debates. As a result of examination into these points, not directly considered by the delegates to the Convention, a minority of the Court concluded that the Founding Fathers would have vetoed the action of Ewing township.

The third case involved a plan devised by various religious groups in Champaign, Illinois. They worked out a scheme whereby religious instruction was made available on a voluntary basis to the pupils of public schools during certain periods in the week. The superintendent of schools could decide what religions contained a sufficient number of volunteers to justify a formal grouping for instruction; he also had the final decision on

the qualifications of the teacher supplied by the religion in question; the classes were conducted in rooms of the public school.

### Court Reverses Own Decisions

Despite the sequential decisions which had approved the actual expenditure of tax monies, the Court almost completely reversed itself and, in a majority opinion, notable for its vagueness, decreed that this was a breach in the wall separating church and state and therefore was in violation of the First Amendment.

Father Wilfrid Parsons, S.J., takes this situation and makes a sparkling analysis of it in his *The First Freedom*\*, a consideration of the relationship between church and state in the United States. By no means a definitive examination of the subject—the bibliography in the Library of Congress seems almost as thick as the volume under consideration—the author, nevertheless, explores the First Amendment and the above-mentioned decisions thoroughly enough to satisfy all but scholars or lawyers desirous of delving into the subject for special purposes.

Avoiding the hysterical note detected in some Catholic expositions of the matter, the author sets up a logical program of examination by first setting forth the historical progress of the first amendment from date of introduction in its first aspect to the present. Father Parsons squarely contradicts the conclusion of Justice Rutledge, author of the dissent in the New Jersey case (the genesis of the changed school of thought), when he states that matters extraneous to the debates in the first Congress itself should not be considered in assaying the meaning of the Amendment.

Since this point is beyond the scope of a review, the reader is urged to

formulate his own opinion on this controversial point after consultation of the book under consideration and Justice Rutledge's decision. It may be stated, parenthetically, that no lawyer is ever impressed deeply with an *ex parte* outline of a constitutional point. It is too easy to build up an argument from selection of only favorable points, and Justice Rutledge's conclusions are not supported by a definitive examination into the activities of Revolutionary days.

### Separation as Principle

On the other hand, Father Parsons' argument would demolish, on his grounds, many of the crucial decisions handed down by the U. S. Supreme Court, particularly some of the landmark decisions of John Marshall. The issue is worthy of a longer debate than is afforded by either side in this current conflict.

But it is not in this phase that the book is at its strongest. The following section concerns itself with a discussion of "separation" as a principle and policy. Here the author works out a definition based upon an approach to the question from the American political, as opposed to the theological, aspect and succinctly as well as learnedly sets forth his major contribution to an intricate, complex question.

### Reviews Church-State Relations

He accuses the school of thought opposing him of being on a track which does not run in the correct direction. It is not a question of whether the State should support religious schools with consequent aggrandizement of any particular religion, but whether the Church and State should remain entirely distinct and yet cooperate one with the other. Therein lies the keynote of this volume and Father Parsons' major contribution to a rational consideration of a constitutional question.

The author outlines briefly, yet completely, the historical relation of

\* Wilfred Parsons, S.J., *The First Freedom*, Declan X. McMullen, New York, 1948, xii., 178 pp. \$2.25.

church and state from early Christianity to its current status. He shows the need of the state for the moral buttressing supplied by the church. He indicates, clearly, the papal desires for non-interference in the civic realm and the agreement of the Founding Fathers with this thesis.

Father Parsons then delves into the nature of the religious school system as we know it today. He shows, forcefully, that private and confessional schools are state-approved schools first and schools for religious instruction second; and he argues that the second function is as important to the State as the first. While the State should remain distinct, it should cooperate to further this second phase just as the church should cooperate in support of the first.

While making a sound argument in favor of his point, the author does not, in so many words, answer the great question bothering the current U. S. Supreme court. This Court very precisely admits that the matters presently before it are comparatively trivial. It also points out the danger of careless decisions when confronted by the great problem of governmental support for the entire parochial school system. That specific question, however, is not directly treated in either the recent decisions or this volume. By irrefutable logic, if one accepts Father Parsons' interpretation of the first amendment, the Founding Fathers would have had no objection to the state supporting any school system set up for secular education and incidentally for religious instruction.

### Not Theological Dispute

But the author points out that if the Court continues to handle the matter as a theological disputation on the wisdom of such schools existing instead of the proper viewpoint, namely, the responsibility of a state for the education of its citizenry in a manner consonant with both civic and reli-

gious duties, a discussion will wander off into mazes never contemplated by the Founding Fathers. Therefore, Father Parsons pleads for a correct approach to the question by the Supreme court in future cases that are already on their way up to it.

On this point of future litigation, the Court and Father Parsons are in complete agreement. Justice Jackson, in his concurring opinion in the *Champaign* case devotes almost his entire decision to the jurisdictional questions involved and to the dangers confronting a Federal tribunal dipping into purely local problems.

### Recent Cases Studied

The author concludes his study by an examination of the New Jersey and Illinois cases. Relying, almost completely, on the brief of the losing side in the latter case, he explores and explodes the argument that the wall exists and if it does that the New Jersey and Illinois laws breach it.

As usual, Father Parsons' journalistic presentation of this intricate subject is skilfully handled. Even those who disagree with its conclusions admit it serves a great purpose in the mere fact that it is readable enough to attract an audience which would spurn a definitive tome on the subject.

Father Parsons places great reliance on studies of the subject already made. He uses standard historical works for the discussions on the religious history of the United States. He acknowledges his debt to authors of recent treatises on specific phases of the problem. Of course, the papal encyclicals, particularly of Leo XIII, are used as his guide on the relation of the church to the state and the appellee's brief in the Illinois case intertwines itself constantly into this volume.

An exceedingly worth-while study, the book will certainly play its part in future decisions, if for nothing else, for the logical approach Father Parsons advocates for the problem.

# THE GROWTH OF LABOR

Organized labor in the United States has had a long and fluctuating career. It seems, at the present time, to be maturing into a permanent institution which will take a significant role in the direction of the American economy. For this reason the following chronicle of labor is of great value. It was originally prepared for a class in trade-union history and has been revised and brought up to date for publication in SOCIAL ORDER.

- 1786—First authenticated and genuine strike, printers, Philadelphia.
- 1792—Shoemakers first organized. Philadelphia, for a year.
- 1793—Carpenters organized, Boston.
- 1794—Shoemakers organized, Boston.  
—Printers organized, New York city, for about 10 years.
- 1799—First authenticated sympathetic strike, shoemakers, Philadelphia.
- 1802—Printers organized, Philadelphia.
- 1806—First criminal conspiracy trial of unionists, Philadelphia.
- 1809—Shoemakers organized, Pittsburgh.  
—Printers organized, Boston.  
—Master printers associated in handling journeymen wage proposals, New York city.
- 1820—Depression trough; only shoemakers and printers effectively organized now.  
—Workmen first freed from property qualifications for voting in Massachusetts.
- 1821—Universal white manhood suffrage in 15 of 24 states.
- 1822—Workmen first freed from property qualification for voting in New York state.
- 1825—Indenture gone by now.  
—New Harmony bought by the older Owen.
- 1827—First cross-trade group organized, Mechanics' Union of Trade Associations, Philadelphia (not in manufacture).  
—U. S. labor movement begins in sense of collaboration between groups of workers as well as between individual workers.
- 1828—Jackson victor over Adams.  
—First labor political party launched, Workingmen's Labor party, Philadelphia.
- 1829—Skidmore publishes his agrarian thesis.  
—A labor party in New York city.
- 1830—Labor parties in cities throughout New York state.  
23 miles of railroad in the nation.
- 1833—29 organized trades in New York city, 17 in Baltimore, 21 in Philadelphia (weavers, plasterers, bricklayers, blacksmiths, tinsmiths, cigarmakers, plumbers, milliners).  
—New York city's "trades union"

- organized, General Trades Union of the City of New York and Its Vicinity, a city central.
- 1834—Varied labor parties disappear, leaving only individual and separated trade unions.  
—National Trades' union founded; first attempt to federate all locals, city centrals, nationals.
- 1835—Peak of 12-hour campaign.
- 1836—58 organized trades in Philadelphia, 52 in New York city, 16 in Newark, 13 in Pittsburgh, 14 in Cincinnati, seven in Louisville.  
—Producers' co-operation among shoemakers, Philadelphia.
- 1837—Acute, widespread, lasting financial panic, followed by long depression.
- 1838—One-third unemployed in New York city.
- 1840—Beginning of the Association movement.
- 1844—Rochdale experiment, England.
- 1845—Consumers' co-operative among workingmen, New England.  
—Workingmen's Protective union founded, Boston.  
—First Homestead bill introduced in Congress.
- 1852—National Typographical union organized.
- 1855—Bessemer steel process in use in U. S.
- 1856—United Cigarmakers' union organized, a national.
- 1857—Depression follows financial panic; overinvestment of fixed capital in railroads during rapid growth; serious setback for unionism.
- 1859—Organization on national scale for iron molders, machinists, blacksmiths.
- 1860—30,000 miles of railroad in the nation, one-half the world's.
- 1862—Union Co-operative association founded, Philadelphia.
- The first Homestead act.
- 1863—Brotherhood of Locomotive Engineers organized.  
—Local trades' assemblies in most eastern industrial centers.
- 1864—International Industrial assembly founded (one year).
- 1866—National Labor union founded, Baltimore (six years).
- 1867—Knights of Saint Crispin founded, Milwaukee (industrial).
- 1868—Order of Railway Conductors organized.  
—Eight-hour day for government employees.
- 1869—Completion of first transcontinental railroad.  
—Noble Order of Knights of Labor founded, Philadelphia.
- 1871—Molly Maguire years begin.
- 1872—National Labor union dissolves.
- 1873—National Industrial congress founded (one year).  
—Brotherhood of Firemen and Enginemen organized.  
—National Association of Miners organized.  
—Financial panic followed by depression, almost dissolving unionism.
- 1876—National Labor congress, Philadelphia; political; failed.  
—Socialist Labor party founded.
- 1877—Wave of unsuccessful railroad strikes.
- 1878—Knights of Labor (K. of L.) a national organization, secrecy dropped.  
—Only a handful of nationals; some 30 in early 1870's.  
—Business revival.
- 1880—Agriculture absorbs largest segment of gainfully occupied: 44.4 per cent.  
—Manufacture absorbs 21.8 per cent of gainfully occupied.
- 1881—Federation of Organized Trades and Labor Unions of the United States and Canada

formed. Pittsburgh (November).

1882—Federation of Organized . . . now insignificant as organization.

1883—About 50 nationals functioning.

—Gompers heads legislative committee of Federation of Organized . . . (its only active segment).

—First nationwide strike by K. of L., commercial telegraph.

—Brotherhood of Railroad Trainmen founded.

1884—A two-year depression begins.

1885—Jay Gould apparently capitulates to K. of L.

1886—Peak of membership for K. of L., perhaps 700,000.

—Haymarket riot, unsolved tragedy.

—Initial break. K. of L. and its craft holdings; leaders of latter call convention in Philadelphia (May).

—K. of L. rejects treaty proposed by craft groups (October).

—Those calling Philadelphia convention now meet with representatives of several national unions, all of whom were invited to send representatives to a national convention in Columbus (December).

—Federation of Organized . . . also meets at Columbus, merges with new group, forms American Federation of Labor (A.F.L.) (December).

1887—K. of L. begins severe decline.

1888—Last negotiations between A.F.L. and K. of L.

1889—A.F.L. dates self from foundation of Federation of Organized. . .

—Socialist Labor party at low ebb when Daniel DeLeon joins.

1890—Frontier gone.

—Sherman Antitrust act.

—A.F.L. definitely in ascendancy over K. of L.

—United Mine Workers of America founded.

1891—National agreement in stove industry, introducing "trade agreement" era.

—Encyclical *Rerum Novarum*.

1892—A.F.L. has 40 nationals, one-fourth active, dues-paying and represented at conventions.

—Homestead strike, most crucial struggle of period and defeat for Iron and Steel Workers' union.

1893—Financial panic; but no utter dissolution for unionism as previously.

—Debs founds American Railway union.

—Western Federation of Miners founded (industrial).

1894—Pullman strike, defeat for American Railway union.

—K. of L. entirely out of active picture.

—A.F.L. convention votes down endorsement of collective ownership of means of production and distribution, as well as endorsement of independent political action.

1895—A.F.L. comes out definitely against independent political action.

—Socialist Trade and Labor alliance founded.

1897—About 447,000 trade unionists in U. S.

—Successful bituminous strike enforcing joint negotiation in four states and launching collective bargaining as means to equalize competitive advantages in the industry.

1898—National trade agreement in book printing (typographical, press, binding).

—Western Labor union founded.

1900—Agriculture absorbs 35.7 per

- cent; manufacture absorbs 24.4 per cent of gainfully occupied.
- Haywood elected secretary-treasurer of Western Federation of Miners.
- Two-thirds live in cities of 8,000 plus; on day Lincoln was shot the comparable figure was one-sixth.
- 1901—Foundation of United States Steel.
- Socialist Party of America formed.
- U. S. producing twice as much steel as Germany, three times as much as Great Britain.
- Steel strike lost by labor.
- 1902—Anthracite strike won by labor.
- Western Labor union changes name to American Labor union.
- 1904—Manufacturing establishments with value product at least \$100,000 constitutes 11.2 per cent of all manufacturing establishments.
- About 2,000,000 trade unionists in U. S.
- 1905—International Workers of the World (I.W.W.) founded.
- 1906—Socialist party members withdraw from I.W.W.
- A.F.L.'s first wholesale entry into politics on a "reward your . . ." basis.
- 1907—Western Federation of Miners withdraws from I.W.W.
- 1908—DeLeon expelled from I.W.W.
- Danbury Hatters' case.
- 1909—Homestead act liberalized.
- Permanent position won by union in ladies' garment industry (waistmakers in New York city).
- I.W.W. moves in among unskilled eastern workers.
- 25.9 per cent of manufacturing establishments owned by corporations now employ 75.6 per cent of all wage earners in such establishments.
- 1910—Men's clothing trade organized, Chicago.
- Agriculture absorbs 32.6 per cent; manufacturing absorbs 29.3 per cent of gainfully occupied.
- Haywood becomes secretary-treasurer of I.W.W.
- 1912—I.W.W. opens textile drive, Paterson.
- Agenda of A.F.L. convention include proposal to organize the unskilled.
- 1913—I.W.W. peak membership.
- 1914—Real wages show only six per cent increase from 1890-1900 average.
- Clayton Antitrust act.
- About 2,700,000 trade unionists in U. S.
- Manufacturing establishments with value product of at least \$100,000 constitute 19.2 per cent of all manufacturing establishments.
- 1916—Adamson act, under railroad unions' pressure.
- Begins period (-1920) during which more railroad mileage abandoned than built.
- United Mine Workers (U.M.W.) recognized in anthracite (1902 strike being for this, partially).
- 1917—A.F.L. definitely pro-war, on conditions (April).
- President's Mediation commission established.
- 1918—War Labor board established (April).
- Second National Industrial conference, it also failing.
- Reconstruction program adopted by A.F.L. Executive council.
- 1919—Soft coal strike.
- Plum plan approved by A.F.L. (June): later disapproved.
- National Industrial conference

called by President Wilson (October).

—Labor's Bill of Rights adopted by A.F.L.'s Executive council (December).

1920—About one-fourth of population engaged in agriculture (about three-fourths in 1820).

—Farmer Labor party formed, one of several such small groups.

—Business recession.

—Railroad Labor board established.

1921—American plan, open-shop drive.

—Trade Union Educational league formed.

—Brookwood Labor college founded.

1922—Railroad shopmen's strike.

—Conference for Progressive Political Action founded.

1923—A.F.L. drive in steel.

1924—A.F.L. drive among women workers.

—Death of Gompers.

1925—A.F.L. drive in automobile industry.

—New wage policy of A.F.L.

1926—Communist-inspired strike almost ruins union among ladies' garment workers in New York city.

—Railway Labor act.

1927—One-half of all population lives within a one-hour motor trip of a city of 100,000 or more.

—44 concerns continuing automobile production of the 181 which started since 1902.

1929 A.F.L. drive in southern textiles.

—17 per cent of organized workers in industrial unions.

Stockmarket crash (October).

—Beginning of four-year, severe depression.

1930 —70 per cent of unionized work-

ers found in transportation, building, printing, public services, theaters.

1931—Encyclical *Quadragesimo Anno* —Prevailing Wage (Davis-Bacon) act.

—Harlan county coal strikes.

1932—Federal Anti-injunction (Norris-LaGuardia) act.

1933—National Industrial Recovery act (N.I.R.A.).

—27 per cent of organized workers in industrial unions.

—673 A.F.L. federal unions.

—A.F.L. authorization of a conference to determine methods for greater organization.

1934—A.F.L. conference endorses use of its "federal unions" within already partly organized plants (January).

—33 per cent of organized workers in industrial unions.

—1,788 A.F.L. federal unions.

—A.F.L. convention hears much dissatisfaction with tender treatment of crafts (October).

—Dissolution of Trade Union Unity league.

1935—1,354 A.F.L. federal unions.

—N.I.R.A. declared unconstitutional (May).

—National Labor Relations (Wagner) act (N.L.R.A., signed July).

—Social Security act (approved August).

—Railroad Retirement act (August).

—Sit-down first used, Goodyear (November).

—Formation of Committee for Industrial Organization (C.I.O.) (November).

1936—A.F.L. Executive council asks C.I.O. to dissolve (January).

—Steel Workers Organizing committee (S.W.O.C.) takes over organization of steel (June).

- A.F.L. Executive council suspends C.I.O. (August).
  - Public Contracts (Walsh-Healey) act.
  - Anti-strikebreaker (Byrnes) act.
  - 941 A.F.L. federal unions.
  - Labor's Non-partisan league.
- 1937—General Motors signs with United Automobile Workers (U.A.W.) (February).
- Chrysler signs with U.A.W. (April).
  - N.L.R.A. declared constitutional (April).
  - Carnegie - Illinois signs with S.W.O.C.
  - A.F.L. Executive council orders expulsion of all C.I.O. unions from city and state federations.
  - Cap and millinery workers return to A.F.L.
- 1938—Railroad Unemployment Insurance act.
- Fair Labor Standards (Wage and Hour) act.
  - A.F.L. revokes charters of C.I.O. unions.
  - Committee for Industrial Organization becomes Congress of Industrial Organizations (C.I.O.).
  - peace formula.
  - C.I.O. proposes a new united movement, American Congress of Labor.
  - International Ladies' Garment Workers' union re-enters A.F.L., not having become part of the permanent C.I.O. in 1938.
- 1940—Close to 50 per cent of organized workers in industrial unions.
- A.F.L. claims 4,000,000, C.I.O. claims 3,500,000 members.
  - Council of National Defense established (May).
  - Murray succeeds Lewis as president of C.I.O. (November).
- 1941—Ford signs with U.A.W.
- Foremen's Association of America founded.
  - "No-strike" pledge (December).
- 1942—National War Labor board established (January).
- S.W.O.C. becomes United Steelworkers of America.
  - U.M.W. withdraws from C.I.O.
  - Peace committee appointed by both C.I.O. and A.F.L.
- 1943—Political Action committee (C.I.O.).
- War Labor Disputes (Smith-Connally) act.
  - U.M.W. petitions re-entry into A.F.L.
- 1945—Labor-Management Conference on Industrial Relations.
- 1946—U.M.W. rejoins A.F.L. (January).
- Employment act (approved February).
  - A.F.L. and C.I.O. southern drives.
- 1947—Portal-to-Portal act.
- Labor-Management Relations (Taft-Hartley) act.
  - U.M.W. leaves A.F.L.
  - Bureau of Labor Statistics (B.L.S.) *Consumers' Price Index* 167 per cent of 1935-1939 average (December).
- 1948—U.M.W. fined (April).
- Wall Street strike (April).
  - U.A.W. and General Motors corporation enter two-year agreement providing "annual improvement factor."
  - Consumers' Price Index* stands at 174.5, highest point in history. Slight decline follows in October.
  - Sixty-seventh A.F.L., and tenth C.I.O. conventions (November).

# { TRENDS }

## Marxist Break-away

Communists who are disillusioned with application of Marxist principles in Soviet Russia, CIP reports, are organizing in western Europe to establish a congress of opposition Communist parties. Delegates from Switzerland, Denmark, Sweden, Belgium, Holland and Luxembourg met in December to formulate plans for the congress to be held some time in 1949. At this congress all Communists who oppose Soviet violence will be represented. It is possible that some Italian and French Communists will join the group.

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## Industry-Wide Wage Levels

One continuing source of friction between employers and unions is the competitive advantage given to open-shop enterprises in partially organized industries. In such industries an employer whose workers are not protected by organized bargaining is often able to pay lower wages and consequently, collect larger profits than his "organized" competitor. Thus, if labor costs an open-shop manufacturer 11c on a 25c item, while a manufacturer employing union workers pays 12c for the same item, it is evident that the former has a four per cent greater profit margin than the latter.

To eliminate the competitive advantage and the consequent source of dissatisfaction on the part of employers in unionized plants, a recent issue of *The New Leader* revived the proposal of what it calls the "industry concept." The article recommended that when 60 per cent, or any other appropriate percentage, of the workers in any industry are members of unions, the statutory minimum wage for that industry be raised by the Wages and Hours administrator to the level received by unionized workers.

The purpose of this measure is obviously to secure equality of wages for all workers in an industry, to remove the open-shop's competitive advantage and to remove a source of dissatisfaction for employers who

have entered collective-bargaining agreements.

Such proposals are not new. Such a law has been in effect in the Province of Quebec since 1937. Of this law an official publication issued by the Canadian Department of Labor says: "The main provision of the Collective Agreement act, as it is now called, is the application, by statutory order, to *non-parties* of the wages, hours and apprenticeship terms of a collective agreement voluntarily entered into by one or more employers or employers' associations and one or more trade unions or 'groups of employees.' The parties must represent a sufficient proportion of the industry."

The Quebec law is the only one of its kind in North America, but similar laws have been introduced elsewhere. New Zealand, long noted for its progressive legislation, has had such provisions for a long time, as has the Union of South Africa. The British Wages Councils act of 1945 had this wage-generalization principle as one of its distinctive features.

It is not immediately clear what the attitude of American trade unions might be to such a proposal. There would, perhaps, be a tendency to oppose such a measure first, because it gives to unorganized workers an economic advantage which they have not earned; secondly, because such wage increases, gained without direct trade-union intervention, might persuade them that they have no need for union membership.

However, the experience of unions which have acted wholeheartedly in representing non-members before employers will be some indication of results that may be expected from such a measure, as far as the favorable attitude of non-members toward unions is concerned.

Certainly the recommendation merits consideration. Aside from its effect upon the growth of trade-unionism, there seems to be no way in which the law could be harmful, provided it is wisely drafted and prudently administered. Good drafting and

administration would be required to provide for segments of certain industries in which payment of the full union scale might be economically and even socially harmful. To provide for these possible cases, some discretion should be left to the Administrator.

## Workman's Compensation

On January 1, 1949, when an enactment of last spring became effective in Mississippi, every state of the nation has workmen's compensation legislation. Great as this social-welfare gain of the last 35 years may be, actual protection extends to only about 50 per cent of our workers. Farm and domestic workers, for example, are not covered and in some states, acts apply dependently upon employer's election to accept the provisions or only to listed hazardous employments or to employers whose workers go beyond a specified minimum.

## Interracial Progress

In its recently released annual report, the American Civil Liberties union gave a detailed conspectus of changes in the status of racial minorities during the year ending July, 1948. It cited 48 favorable actions in the civil rights field, 34 unfavorable ones. Of the 48, 15 affected Negroes directly; almost all the rest affected them indirectly. Most important action in the federal courts was the 6-0 decision holding restrictive covenants unenforceable. By Congress or federal agencies, the most important actions were the Civil Rights committee report, and the consequent program proposed to Congress by the President; of some moment also was the attack on segregation by the President's Commission of Higher Education.

Probably of even more importance is a recent voiding of a 98-year-old California law by the California State Supreme court by a 4-3 decision. The law prohibited interracial marriage, and laws similar to it are still in force in 29 other states. The case was brought by two Catholics, a Negro and a white, who wished to marry, and was argued for them by a prominent Catholic lawyer, a leader in the Los Angeles Catholic Interracial

council. (Since this decision took place in early October, it obviously would not be included in the A.C.L.U. report).

Chief among items on the debit side of the interracial-justice picture were failures of Congress to enact anti-poll tax, anti-lynching, and fair employment practices legislation.

## Motherhood Schools

In an attempt to train young girls for future family responsibilities, Catholic authorities in the Netherlands have instituted *Mater Amabilis* schools, reports the London *Catholic Herald*. In these schools young girls, mostly 17 to 20 years of age, receive instruction in Catholic teaching on the home and family, together with expert information about psychology, medicine and the domestic sciences.

The schools began in Maastricht, southern Netherlands, shortly after the end of World War II. Father Houben, a curate in that city, had heard of the work being done by a Belgian Catholic psychologist, Miss Schouwenaars. At the first opportunity he visited Antwerp, where she was working, to learn more about her ideas. In January, 1947, he opened in Maastricht the first school based upon her ideas. Before the year was over, 14 other schools had sprung up in the southern provinces. Today there are more than 50 of these schools in operation throughout the country.

Since most of the girls are employed during the day, classes are held in the evenings. In order to encourage attendance at these schools, employers have, in many instances, released workers early, at full pay, when this was needed for any reason. Other employers have paid a major part of the nominal tuition fees charged.

The full curriculum is covered in twice-weekly meetings continued through three years. During the first year the students receive instruction in basic Catholic truth aimed at the right formation of conscience, as well as courses in fundamental home skills.

Classes in the second year are devoted to the Catholic doctrine on marriage, together with courses on the psychology of man and woman, and on child care. At the same time the girls are encouraged to

do volunteer work in children's institutions throughout the second year of the course.

The encyclicals on marriage and education form the basic religious texts during the third year. Other courses concern health, child problems, vocations. During this year, some kind of work in hospitals, orphanages or private homes is required so that the girls will be sure to acquire some practical experience in home-making skills.

Members of the teaching staffs are carefully selected and fully qualified. An experienced doctor will lecture on infectious disease and other health topics; an architect will explain the aesthetic aspects of home-making; an actor or singer will teach the students to sing and to tell bed-time stories. Sewing and cooking are demonstrated by experts.

The response to these educational opportunities has been remarkable. In the provincial town of Helmond, for instance, 145 girls applied within a week, although little publicity had been given to the plans. As a result, enrollment had to be closed far in advance of the date decided upon.

As a result of the work done in *Mater Amabilis* schools, Dutch girls who have attended them are not only better equipped with knowledge and skill for their responsible positions as wife, mother and home-maker, but enter upon marriage with a clearer understanding of opportunities and responsibilities and a stronger sense of vocation.

### Minimum Wage Proposals

Scarcely an item in the President's State of the Nation report was new; most measures had been proposed to Congress either in previous reports on the same occasion or in special messages.

One point to which he has returned several times is the necessity of raising the statutory minimum-wage level. For years the minimum wage has stood at a level of 40c, despite the fact that wages of unionized workers have risen far above the averages received at the time the minimum was set and the fact that living costs have soared.

The Bureau of Labor Statistics reports that in mid-1947 some ten per cent of workers in manufacturing industries were receiving a wage less than the proposed minimum of 75c. Of these, about 50,000 workers received less than 50c hourly,

almost 350,000 less than 60c hourly. At the same time the average for all production workers in manufacturing was \$1.23.

### The Weapon of Nationalization

In his article on "The Bourgeois Function," the second part of which appears in this issue, Father Hanley proposes that the threat of nationalization be used more as a weapon to induce social reform by private enterprise, than as a direct instrument of reform in the hands of government. He presents three criteria by which it may be possible to determine whether an industry is doing its proper share for the good of the whole economy. In the event that it is not, it will be warned that nationalization will be undertaken if the offending industry has not improved after a probationary period.

That such a proposal is not utopian or still in the remote future would appear evident from a consideration of one passage in the recent State of the Union message to Congress. In the message President Truman said, "...to authorize an immediate study of the adequacy of production facilities for materials in critically short supply, such as steel; and, if found necessary, to authorize Government loans for the expansion of production facilities to relieve such shortages, and furthermore to authorize the construction of such facilities directly if action by private industry failed to meet our needs."

There are obvious differences between the two proposals. 1. President Truman does not propose to nationalize existing facilities; rather, as a last resort, he suggests the possibility of supplementing privately-owned facilities with government-owned (and, presumably, operated) plants. 2. The criterion he would use to determine need for such action seems to be preponderantly economic.

Substantially, however, his proposal is what Father Hanley envisages: an attempt to regulate industry by the threat of nationalization. At the very least, the President's action would seem to be a step in the direction indicated in the article, "The Bourgeois Function."

If this is the case, we have an opportunity at the present time to evaluate the wisdom of the proposal, the checks that would be needed to restrain injudicious action, the agencies that would be required to make the necessary studies and decisions.

# { B O O K S }

## THE FAILURE OF INDIVIDUALISM.

—By R. S. Devane, S.J., Browne and Nolan limited, Dublin, 1948, xvii, 342 pp. 18s.

This book is offered in the hope that it may promote sound social reorganization. It does not delineate a bright new world. It does demonstrate, however, the root-causes of our present disorders and their development, and it lays down principles which must guide our efforts to construct a reasonably human society. Father Devane is primarily interested in the kind of society which is being fashioned in the infant state of Eire, but the principles which are applicable to the formation of institutions in Eire are valid for the reformation of institutions elsewhere. Its contents are, therefore, pertinent to American conditions.

That chaos has engulfed our Western society because Individualism, its foundation, has cracked and crumbled is the thesis which Father Devane undertakes to establish. He broaches the familiar proposition that the Protestant Reformation was the matrix of Individualism, which has animated economic, political and religious life in the West for four centuries. In each of these three fields the individual has been detached from the group and organic social institutions have been replaced by mechanical agglomerations. These three manifestations of Individualism, closely linked together, are the basic causes of the world's present unrest and confusion. Totalitarianism is a violent reaction against Individualism, and an unbalanced one. Genuine reform must be based upon restoration of organic social institutions.

The book contains much interesting historical material which shows the development of Individualism in its three manifestations. This is especially true of the section which treats of economic individualism. The theological and philosophical foundations of Individualism, of course, are the core of the book. This involves a discussion of the doctrines of Luther and

Calvin, of Hobbes, Locke and Rousseau, of Adam Smith and Karl Marx.

Father Devane's presentation of the doctrinal foundation of religious Individualism is perhaps too sketchy. A fuller treatment of this aspect of his subject would be more valuable than the relatively lengthy description of the present status of Protestantism which he has preferred to give us. The doctrinal aspect of political Individualism, however, is developed far more adequately. Some readers will find the inclusion of long quotations in the text objectionable. Many sections of the book are merely a series of quotations linked together by a meager bit of original text. The quotations, however, are very useful ones.

This book is intended for the intelligent general reader. It is based almost entirely upon secondary sources; yet, its value for those who are interested in the work of social reconstruction cannot seriously be doubted.

CORNELIUS A. ELLER, S.J.  
I.S.S.

THE WEST AT BAY. — By Barbara Ward. W. W. Norton and Company, New York, 1948, viii, 288 pp. \$3.50.

The author describes this book as "a hasty attempt made without any research or detailed study to present a few of the major issues." One might cynically regard this as insincere humility, or agree that statements are made that need authoritative footnotes; but anyone interested in tomorrow's bread and butter should give the book a hearing. The issues discussed are vital, global and with ominous overtones. The treatment certainly shows that enough research was done to give an honest portrayal of the world scene, and the study is sufficiently detailed without becoming too intricate.

Miss Ward's analysis of the background to the related topics of the Marshall plan and the Western Union follows the classi-

cal economic theory. Such topics as American industrial growth, the trade cycle of American boom and depression, and American isolationism have the added interest of being viewed by an outside observer.

The panoramic effect achieved by the geographic and political description of the Western Union, and the superimposition of the Marshall plan in order to make clear the possibilities of this new political and economic map, demand attention.

The author realizes that some people may not want to accept the unpleasant fact that the world is divided into two camps, and that others may shy at the suggestion that there will be a few concessions demanded from "national sovereignty." She accepts the analysis made by the Communists that the fundamental conflict is between a free-enterprise system and Communism, but she refutes their ideological explanations, and she asks the Western powers to present a united front against the steam-roller tactics of Communism. European nations must be ready to make honest concessions to history and work for the growth of a united economy. America's support must be unwavering, yet sensitive to the growing pains of the Western association.

A pessimistic feeling may arise from Miss Ward's chapters on the Paris report and American reactions. Her treatment of the dollar deficit foreshadows the possible frictions in coordinating the Marshall plan and universal economic recovery. She outlines honestly both the favorable and the unfavorable factors.

Miss Ward follows classical economic theories in accepting a belief common to many on how to achieve a stable economy: ... the claim that if the expenditure of the community on capital goods can be spread evenly over the years and be maintained at a reasonably high level—say ten to fifteen per cent of the national income—there is at least a very good chance that the major oscillations in the nation's line of economic development can be evened out (p. 224).

This method of reinvestment of profits in capital outlay according to a graded scale is the method proposed for the growth of a stable economy, but it seems to have a weakness if the profit taken from the initial capital outlay is so great that a portion of

this profit must lie idle when it is time for reinvestment. If the profit taken from the initial investment is too large, there will be that much less purchasing power, a situation which would keep the graded reinvestment from working successfully. The mainspring of the successful trade cycle should be, first and foremost, the taking of a reasonable profit from the initial investment. This reasonable profit is the real battleground, though many do not want to admit it, of the conflict between capital and labor. The use of the word "control" is unpopular to the die-hards of free enterprise, yet there must be some practical and guiding hand to the slow recovery of depleted economies. The pump-priming process with American dollars will ultimately come from the pocketbook of the citizen; he has a right, consequently, to know that his investment in European recovery will be so handled as to ensure continued improvement for all concerned.

Without detracting from the value of the author's general survey there may not be complete agreement with some of her incidental analysis, as when she states:

It is hardly likely that the value of mass production and of small returns on a vast turnover could have been proved so conclusively in any but a mass market without internal inhibitions to the free sale of goods... (p. 30).

The author's use of the principle of small returns on vast turnover as a general explanation does not fully account for many huge profits, nor for the "quick-profit" motives that were so influential in American economy, especially among speculators.

Again, one might suspect from Miss Ward's historical treatment that the American isolation behind tariff walls, with resultant sheltered domestic enterprise, was peculiar to the United States, whereas the economic history of nations has often echoed the conflict of the free-traders and those interested in their own domestic growth.

Miss Ward concludes with an appeal for the recognition of the fundamental dignity of the human individual. Her pattern for uniting Western Europe in an association formed for economic recovery and political protection has the Christian faith as a foundation. In this she gives added and timely force to the teaching of the

But we can say now and with complete certainty that unless the pursuit of justice and the practice of brotherhood are the first purposes of the men of the new union, they will fail to build their city, just as, for all their material prosperity, their grandfathers failed before them (p. 281).

HUGO W. DURST, S.J.  
Campion Hall, Oxford

WAGE THEORIES BEFORE CERTAIN INDUSTRY COMMITTEES OF THE WAGE AND HOUR ADMINISTRATION. — By Sister Mary Yolande Schulte, M.A. The Catholic University of America press, Washington, D.C., 1946, vii, 341 pp. n.p.

This volume, a doctoral dissertation, provides both professor and student of sociology and economics with an excellent means for studying from a realistic standpoint the attitudes of labor and management toward traditional wage theories. From the stenographic transcripts of oral testimony given before, and from the written briefs submitted to the seven tri-partite wage committees selected for this study, the author has accumulated and analysed in detail a mass of data clearly indicative of prevalent positions among employer and employee groups with regard to the function of wages in our industrial life.

In the first chapter wage theories (subsistence; wages-fund; efficiency; residual claimant; bargaining; marginal productive; maximum employment) which have been propounded in economic and social writings since the time of the Physiocrats are outlined and explained from the historical viewpoint. The second chapter treats in a general way the objectives of the Fair Labor Standards act (1938) and describes in greater detail the machinery established under that law for determining minimum wage-rates. Chapters 3-7 make up the major portion of the volume and each is developed around these points: Sec. 1. a brief survey of the particular industry, which covers such items as number and location of plants, number of employees, profitability, labor costs and average earnings, wage recommended and finally established; Sec. 2. an analysis of employers'

testimony with their contentions classified under the traditional wage theories; Sec. 3. a similar survey of the arguments of employee representatives; Sec. 4. a summary of their respective positions in relation to the wage theories.

Though this study is necessarily restricted, it does provide a good over-all report on current and common wage philosophies, so to speak, of organized management and labor, as can be indicated to some extent by mention at least of the factors governing the selections and by listing the industries chosen. Thus we find that 1. the particular industries selected cover the following basic types in our industrial economy: a. transportation—Railroad carriers; b. basic raw material—Lumber and timber products; c. heavy industry—gray iron job foundry; d. processed goods—textiles—paper products—rubber manufacturing; e. wearing apparel—shoe manufacturing and allied industries; 2. each of these industries employs the largest number of workers in the class to which it belongs; and 3. "an attempt was made to select industries in different financial positions as reflected in the wage recommended after the committee's investigation."

Complete lists of the names and positions of the members of each tripartite committee and of all witnesses appearing before a particular committee are given. The volume is well indexed.

JOHN A. MURRAY, S.J.  
Weston College

CRUMBLING BARRIERS. — By Constance Rumbough. Fellowship of Reconciliation, New York, 1948, 45 pp. 40c.

This pamphlet contains a collection of incidents in which Southern members' of the Fellowship of Reconciliation, either as groups or as individuals, tried to break down racial barriers. The incidents, set down in anecdotal form and bound together by editorializing, range from allowing Negroes to be waited on first in stores, to forming interracial ministerial unions. The point made is that even a small number of persons can do a great deal towards "creative fellowship" if there is goodwill and courage. The purpose is to inspire and suggest by example small, concrete ways

of beginning interracial living in the South.

The Fellowship of Reconciliation is an international, non-sectarian, pacifist organization seeking to "demonstrate love"... such as that "seen pre-eminently in Jesus"... "as the effective force for overcoming evil and transforming society into a creative fellowship."

EDWARD MOODY, S.J.  
St. Mary's College

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LABOR AND SOCIAL ORGANIZATION.—David A. McCabe and Richard A. Lester, D. C. Heath and co., Boston, 1948, viii, 373 pp. \$2.75.

This little text is hard to appraise. What the two capable Princeton authorities have put into the 350 small pages is very good. But who of this Review's readers will find it useful is hard to say. The book deals with "problems of modern economic society directly related to the wage system" under the headings "labor organization, labor legislation, social security, and social reorganization." It is the final volume in a six-book series designed for an introductory course in economics.

A consistent viewpoint is maintained: the social importance of the wage earner's struggle for adequate income and security. Thus, Part One—Labor Organization—deals with labor's organization of self-endeavor, its objectives and methods. Part Two discusses the law's assistance of these efforts and subsequent curtailment of coercion of employer and public. Part Three—Social Security—treats of Government's assistance in the other hazards of accident, unemployment, and old age dependency. The final section treats various types of social reorganization proposed as challenge to Capitalism, stressing labor's part in each.

The text is concise, its definitions and discussion of issues admirably clear, its viewpoint social and ethical, and very consistent with ours. Treatment of economic aspects of collective bargaining is, with exception of the strike, fairly complete. Non-income objectives are not discussed. Part Two is not a complete treatment of labor law, nor even of Taft-Hartley, though what appears is judiciously handled. The section on Social Security is recommended to those seeking a

simple but ample economic, social, and ethical discussion.

Part Four offers neat distinctions on the nature of Capitalism, and a fine development of the theoretical and actual progress of Socialism, and of Fascism. But it is wholly inadequate in its coverage of plan of social reorganization.

Directors of labor schools may find the text adaptable to their classes.

PHILIP S. LAND, S.J.  
ISS

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PRINCIPLES AND FUNCTIONS OF GOVERNMENT IN THE UNITED STATES.—Assembled and edited by W. Leon Godshall. D. Van Nostrand company, New York, 1948, xxxiii, 1121 pp. \$5.00.

This book, as the editor states in the "Preface," is designed to be "adequate and suitable for college courses in the subject." Those acquainted with Political Science know that there are at least two such volumes already well-established and several others making a bid for acceptance.

The great difference between this book and the others in the field is the authorship. Fifteen specialists in American government have collaborated in the preparation, each writing a chapter or more. Professor Godshall contributed seven chapters. A book dealing with United States government does not suffer from such multi-authorship; rather it can be made more authoritative.

The standard division of United States government into national, state and local is preserved. The parts devoted to national and state government are complete in their treatment; that devoted to local government is comparatively brief.

One of the introductory chapters, "The Nature of the State," leaves much to be desired from the viewpoint of the scholastic philosopher. Its weakness can best be illustrated by such a statement as this: "In the United States, a national religion could be established by amending the United States Constitution, but such action is unlikely in view of the popular opposition to State dictation in matters of religious belief" (p. 29). This statement oc-

urs in the section entitled, "Supremacy of the State." That this is an indication of erroneous political philosophy need not be spelled out for the readers of this review.

The survey of the government of Russia (p. 45) is unrealistic, partly because the author presents and explains the Russian constitution as though it were actually the directive principle of government in the Soviet Union, while he admits that "in actual operation it has proved undemocratic in character" (p. 46).

The treatment of topics is historical. Governmental agencies and policies are shown developing over the years. The text is well documented with numerous references and footnotes. At the end of each chapter are listed pertinent Supreme Court cases and selected references to books and journals. The more significant and useful political documents, e.g., *Declaration of Independence* and *Articles of Confederation*, are printed in appendices.

Whether or not the book is entirely adequate as a text (a perfection most difficult to attain in a one-volume work), it will serve as a good reference book for the general reader interested in ready answers to questions of fact about the United States government. Such abundant references will guide the student of government to the sources.

TIMOTHY L. McDONNELL, S.J.  
Alma College

#### INSIGHTS INTO LABOR ISSUES.—

By Richard A. Lester and Joseph Shister, eds. Macmillan, New York, 1948, x, 368 pp. \$4.00.

Thirteen essays constitute this volume. Their joint objective is to point up the value of economic analysis for correct understanding of labor issues, to inspire further research along the same lines, and to render policy more intelligent in the area of industrial and labor relations generally. Each essay reflects the current research specialty of its author. Most authors were pre-Pearl Harbor Ph.D.'s whose knowledge of industrial relations was ripened through participation in public boards and agencies during and immediately after the war.

Among the more vital and interesting issues investigated are: 1. evolving patterns of collective bargaining (F. H. Harbison, R. K. Burns, Robert Dubin, all of Chicago), 2. determinants of unionization capable of providing a general theory of the labor movement (J. T. Dunlop, Harvard), 3. significance for economic theory and policy of wage differentials between companies, regions, industries, etc. (R. A. Lester, Princeton), 4. fluctuation of the labor force as a proportion of population, in relation to real income and the business cycle (C. D. Long, Hopkins). There is also an intriguing essay on unionism and collective bargaining within groups of professional workers (H. R. Northrup, Columbia).

This is not a popular book. It is, however, a very thought-provoking and helpful book. It certainly is concerned with some important domestic issues of our day.

JAMES J. MCGINLEY  
ISS

POLITICS, PARTIES, AND PRESSURE GROUPS.—By V. O. Key, Jr., Thomas Y. Crowell company, New York, 1947, xvi, 767 pp. \$5.00.

This is primarily a book of facts about the composition, mode of operation and institutional organization of pressure groups and political parties in the United States. It also treats of the character of the electorate, the actual process of conducting elections and present means for evaluating and predicting the outcome of elections. Finally, the book gives a brief and rather general treatment to education and force as factors in politics, to the role of party leadership in the drafting of legislation and to the role of administration in the formation of public policy.

The whole treatise is restricted to a frank study of power elements in American politics. Professor Key prescinds explicitly from any ethical or ideological considerations. In the mind of this reviewer, such a precision is justified and valuable for the sake of arriving at a clear picture of the conditions under which political decisions are made in this country. It would have been better, however, if Professor Key had merely stated the scope of his book without wasting a chapter on the

argument that ethical considerations in politics are based only on subjective assumptions of value.

Because of the wealth of material it contains and its logical ordering, this book should make an excellent text for courses on political parties. While it would be well if a subsequent edition incorporated the precedents of the national party conventions of 1948 and the recent error of the public opinion polls, it is to the credit of the author that these additions would necessitate no substantial change in his analysis of public opinion polls and national party conventions.

Apart from its use as a text, in this work Professor Key has compiled a valuable reference book on parties and pressure groups that should find a place in the college library.

GEORGE A. CURRAN, S.J.  
West Baden College

THE LABOR FORCE IN THE UNITED STATES, 1890-1960. — By John D. Durand. Social Science Research Council, New York, 1948, xxviii, 284 pp. \$2.50.

Our population is made up of breadwinners, homemakers, students and "others"—roughly. In slightly less than 200 pages, this book presents the latest results of joint research in the field of measurement of the breadwinners, namely, the labor force.

This concept includes those persons who normally work for economic gain, whether as employes or employers, and whether actually employed or unemployed. "Work for economic gain" includes those who normally work for profit or some remuneration as an employer, as a self-employed or "own-account" worker, as an unpaid family worker who equivalently substitutes for a hired worker (on a farm or in a retail trade outlet, for instance), or as a salaried or wage earning employe in the traditional sense—skilled, semi-skilled, unskilled, white-collar, industrial, public, private, etc. The sum total of these people constitutes the labor force. Besides homemakers and students, the "others" who are not in the

labor force are those too young or too old to work, inmates of institutions, retired or incapacitated persons and those who for any other reason do not have a job at a gainful occupation and are not looking for such a job.

Evidently, only a part of our population is in the labor force. And only a part of the labor force is the usual subject for labor studies. Only a portion of this subject, moreover, provides the potential for unionization. And only a section of this potential finds itself in unions. Within the social sciences generally, therefore, and in labor studies particularly, Mr. Durand's book climaxes a relatively new search for knowledge on a very old and fundamental topic—man's enduring role as worker.

The labor force fluctuates as a percentage of our total population in accordance with population growth, changing age composition, the population, birth rate, death rate. Its composition shifts in response to large changes: custom, urbanization, industrialization, immigration. Its distribution between all the possible occupations of mankind in this country varies in accordance with a surprising number of factors of an economic, social and demographic nature. One of these items Durand's work contains the most satisfactory description of the past 50 years, as well as the most seriously formed projections for the next 20 years.

The book is a challenging piece of work on a subject of vital interest to several of us: 1. those interested in the changing role of women in an industrial civilization (500,000 more women than men will probably enter the labor force before 1960); 2. those needing concrete information on the meaning, to all of us, of the changing rate of growth of population in the U.S. (it has a distinct bearing on the problem of full employment); 3. those professionally interested in the social sciences (labor force study is recent and important, academically and otherwise).

**Labor Force in the United States** is a specialized book, of course. It attempts to bring the population expert and the labor economist together, after years of separate study. Moreover, its contents will certainly be distilled out in the different labor textbooks to come or in a summary;

by one of the research-popularizing agencies. But it would be well to have a look at it even sooner.

JAMES J. MCGINLEY, S.J.  
I.S.S.

THE AMERICAN POLITICAL TRADITION.—By Richard Hofstadter. Alfred A. Knopf, New York, 1948, xi, 378 pp. \$4.00.

This volume attempts to define precisely what has been the American political tradition, and for this reason it deserves consideration in SOCIAL ORDER. The author views American political tradition as a struggle of class against class. Twelve biographical sketches of great American political leaders are used as the medium for this interpretation.

This class struggle is evident, according to Professor Hofstadter, at the time of the establishment of the government under the Federal constitution in 1789. The two dominant classes at this time were the merchants of New England and the slave-holding planters of the South. The Founding Fathers, as representatives of these classes, motivated by financial considerations, compromised to found a government that would protect their mutual interests from still another class, the infant proletariat exemplified by the parties to Shay's rebellion, which was growing into a menace to the economic status quo. This infant was to grow into the ever-expanding urban labor group.

Professor Hofstadter then examines in the biographical sketches the various turns of this class struggle in the course of the years, and how the struggle dominated political policy of various presidents of the United States, notably, Jefferson, Jackson, Lincoln, Cleveland, Theodore Roosevelt, Wilson, Hoover and Franklin Roosevelt. The influence of sectional strife on the struggle is demonstrated in the lives of John C. Calhoun, Wendell Phillips and William Jennings Bryan.

This brief statement of Professor Hofstadter's thesis is a simplification, perhaps

an over-simplification, of his position. But the professor's thesis is an over-simplification of American politics. He has presented *An Aspect of The American Political Tradition*, which he is not justified in defining as *The American Political Tradition*. This is certain on the basis of the proof for his position presented in his volume. The scholar would like to see footnotes citing the sources of Professor Hofstadter's material. It is true that he has included in his work a Bibliographical Essay (which is an excellent addition to his book), and herein he cites in a general way his sources. However, this cannot compensate for the absence of references throughout the volume which indicate the exact source of the author's information. One finds it hard to avoid the suspicion that texts are carefully selected and sometimes even forced to fit the author's theory. The scholar would like to check these passages in their context. In general there is an over-emphasis on economic motives. Moreover, the men who made the political tradition, with the exception of Wendell Phillips, are presented as victims of economic circumstances—a thing which is not always accurate.

The book is recommended reading for those interested in current social problems. The student of American history and politics will find this book interesting, but he will be skeptical about the author's interpretation of *The American Political Tradition*.

TIMOTHY L. McDONNELL, S.J.  
Alma College

INDIVIDUALISM AND ECONOMIC ORDER.—By Friedrich A. von Hayek. University of Chicago press, Chicago, 1948, viii, 272 pp. \$5.00.

Gradually theorists of both individualistic and collectivistic economic systems have been edging closer to the middle in their attempt to establish the desirable relationship between individual liberty and state control. Despite this healthy trend, both schools consistently overlook the autonomous, legally-recognized groups which could solve the problem, those groups proposed by the plan of corporative organization of society. The present volume is evidence for the foregoing remarks.

The author of the easy-reading best-seller *Road to Serfdom* a few years ago here intends no mere popular book, but a serious analysis, addressed to fellow economists, of the technological aspects of both individualism and collectivism in economics. A firm believer in the competitive order and the effectiveness of the free price system, Mr. von Hayek, nevertheless, exposes the innumerable failures of individualism in its historical and current development, as well as the unanswered questions inherent in the various theories of collectivists.

He begins with an attempt to legitimize the individualistic philosophy of Locke, Hume, Tucker, Smith and Burke, to distinguish it from the false individualism of the Encyclopedists, Rousseau and the physiocrats. The attempt will satisfy few readers, though it indicates von Hayek's reasoned sincerity.

Thereafter his analysis is purely of economic principles. Valuable is his explanation of the inadequacy of the knowledge the economist must work with—a major reason for the impossibility of the planned economy. His delineation of collectivist schemes for including competition and price in their systems, his readiness to accept state control to a greater extent than most individualists will interest and profit the reader.

The book should be read by economics students, can be readily used by social science teachers to find up-to-date thinking of social theorists on the two extremes and the errors in their systems. The glaring omission of the corporative theory as the means to solve the liberty vs. state control and chaos vs. planning problems in economic thinking will be evident to our readers.

JOSEPH B. SCHUYLER, S.J.  
Woodstock College

#### THE PROPER STUDY OF MANKIND.

—By Stuart Chase. Harper & Brothers, New York, 1948, xx, 311 pp. \$3.50, text ed. \$3.00.

Scientific methods, applied to the study of man, are man's only hope for survival in the atomic age. Science has brought

him to the brink of disaster. Only a bigger, more exacting, more punctilious science can set him safely once more upon his triumphal evolutionary climb.

Moreover, insists Mr. Chase, sociologists must abandon all preconceived, unverified hypotheses, theories, laws of man's individual and social behaviour. Their task must be to get at the facts of human nature. Social theory must be built on facts, tested by facts and, if found wanting, yield to the facts gathered by the "man with the notebook."

The author sketches several of the new techniques that have already been developed to get the basic facts of human action and reaction. Various tests, political and statistical analyses discover personal aptitudes and reactions, cultural patterns, causes of racial and industrial conflicts. The author shows how, in specific cases, these new techniques have been used to better labor-management relations, to measure public opinion, to relieve tensions.

Economics as we know it today, he tells us, is scarcely deserving of the name "science." It is built up on altogether unscientific assumptions — that of "economic man," for instance. The author concludes that "the quest for an economic 'system' is a forlorn one." Economists must take into consideration that "economics is only one aspect of the science of man."

The most far-reaching proposal in the book is that all governments—U. N., too—sponsor councils of social scientists to initiate, coordinate, guide huge world-wide research projects in human relations.

We may shake our heads at the author's astigmatism whenever the rights of religion or of the supernatural come up for inclusion in any study of man; at his casual brush-off for the "wisdom of the ages," for "philosophy," for "absolutes," and for "dogma." His outlook is limited by a very obvious secularist background. Still, for all that, his book is not without great value for Catholic sociologists. Perhaps too many Catholics in the field come short where sociologists of the positivistic school are strong—in getting the facts.

FRANCIS J. FARRELL, S.J.  
Saint Mary's College

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